

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

| | |
|---------------------------------|--|
| UNITED STATES OF AMERICA | : CRIMINAL NO. _____ |
| v. | : DATE FILED: |
| WILLIAM KENNETH GARRETT | : VIOLATIONS: 18 U.S.C. § 371 (Criminal |
| FRANCIS GERMAN | Conspiracy - 1 Count) |
| THOMAS MASSARA | : 18 U.S.C. § 1341 (Mail Fraud - |
| DAWNELL GRIFFITH | 29 Counts) |
| KIMBERLI LANGE | : 18 U.S.C. § 1956(a)(1)(A) |
| LARRY DOBSON | (Money Laundering - 64 |
| MARSHA DOBSON | Counts) |
| KAREN BEAM | 18 U.S.C. § 1957 (Money |
| BERTRAND DURHAM | : Laundering - 5 Counts) |
| ALAN SCHALL | 18 U.S.C. § 2 (Aiding and |
| | Abetting) |
| | 18 U.S.C. § 982 (Criminal |
| | Forfeiture) |

INDICTMENT

COUNT ONE

(Conspiracy)

THE GRAND JURY CHARGES THAT:

At various times relevant to this indictment:

1. Universal Liquidators, a division of Retail Management Consultants, Inc., a Pennsylvania corporation, maintained its principal place of business at 270 Commerce Drive, Fort Washington, Pennsylvania.

2. Universal Liquidators was marketed at franchise/trade shows as a surplus/liquidation business system and network for the sale of brand-name merchandise. It was represented that Universal Liquidators was a central clearinghouse for brand-name products, including electronics, clothing, household items, and industrial-commercial goods, from such

manufacturers as Sony, IBM, AT & T, Levi's, Nike, Rubbermaid and many others, available at 70 to 90 percent below retail price.

3. For the price of \$4,999 in 1995 and \$5,999 thereafter, it was represented that Universal Liquidators would provide a select number of individuals the opportunity to become a part of Universal Liquidators' network of brokers. It was also represented that brokers would receive personalized training, audio and video tapes, manuals, monthly publications, a facsimile/telephone system, on-going service and support from Universal Liquidators' broker relations department, and daily access to an updated list of over 2,000 companies or available surplus and liquidated merchandise and buyers who were willing to purchase the merchandise.

4. Defendants **WILLIAM KENNETH GARRETT, FRANCIS GERMAN, THOMAS MASSARA, DAWNELL GRIFFITH, KIMBERLI LANGE, LARRY DOBSON, MARSHA DOBSON, BERTRAND DURHAM, KAREN BEAM, and ALAN SCHALL** were associated in one form or another with Universal Liquidators.

5. Defendant **WILLIAM KENNETH GARRETT**, who was formerly employed by Surplus Agents of America, a Florida-based surplus/liquidation business, reworked that company when it went out of business in the fall of 1994, and began a similar business using the name Universal Liquidators, a division of Retail Management Consultants, Inc. **GARRETT** held himself out as the Assistant to the President of Universal Liquidators, but actually ran Universal Liquidators' day-to-day operations; formulated trade show presentations and the materials used at franchise/trade shows where Universal Liquidators' salespersons marketed the business opportunity purportedly being offered by Universal Liquidators; scheduled franchise/trade shows for sales presentations; provided instruction to salespersons and customer

service representatives; and, made the decision to approve the applications of prospective brokers with Universal Liquidators.

6. Defendant **FRANCIS GERMAN** falsely held himself out and allowed others to hold him out as the President of Universal Liquidators. Additionally, Universal Liquidators' marketing materials falsely described him as a graduate of Auburn University and the University of Pennsylvania Wharton School of Business. He was also falsely described as a free-lance marketing consultant with nearly two decades of experience in surplus brokering. He was paid to lend his name as Universal Liquidators' President, for engaging in telephone conversations with prospective brokers and making false representations about himself and Universal Liquidators.

7. Defendant **THOMAS MASSARA** was a Universal Liquidators' salesman, who traveled throughout the United States, Canada and Puerto Rico to conduct trade shows for Universal Liquidators. He made false representations as to what Universal Liquidators offered its brokers. He also falsely held himself out as a successful Universal Liquidators' broker who made over \$250,000 in one year brokering surplus and liquidated merchandise.

8. Defendants **DAWNELL GRIFFITH, KIMBERLI LANGE, LARRY DOBSON, MARSHA DOBSON** and **KAREN BEAM** were also Universal Liquidators salespersons. They traveled throughout the United States and Canada to conduct trade shows for Universal Liquidators and, in making trade show presentations, made false representations as to what Universal Liquidators offered its brokers and about themselves as accomplished brokers of surplus and liquidated merchandise through Universal Liquidators. They each received

commissions of approximately 25 percent of the \$4,999 to \$5,999 paid by individuals who invested in the business opportunity purportedly offered by Universal Liquidators.

9. In addition to being a salesperson, defendant **KAREN BEAM**, along with defendant **BERTRAND DURHAM**, were paid to act as references for Universal Liquidators, and, as such, falsely held themselves out as successful Universal Liquidators' brokers and made false representations about the opportunities afforded Universal Liquidators' brokers to prospective brokers who learned of Universal Liquidators at franchise/trade shows and were seeking additional information about Universal Liquidators. Paid references were also known as "singers."

10. Defendant **ALAN SCHALL** was the owner of the **National Business Opportunity Bureau (NBOB)**, a privately-held corporation in Georgia designed to provide the public with accurate information on companies within the franchise and business opportunity industry. The **NBOB** was funded through registration fees and a per call handling charge paid by registered companies for each call received by **NBOB** requesting information about the registered company. The **NBOB** was supposed to provide information, including a telephonic and written report, about all complaints reported to the **NBOB** about the registered company. The **NBOB** was also supposed to track all complaints and attempt to assist the complainant in resolving their complaint. Defendant **ALAN SCHALL** had an arrangement with defendant **WILLIAM KENNETH GARRETT** in which **SCHALL** caused the **NBOB** to falsely represent and conceal complaints reported to the **NBOB** about Universal Liquidators.

THE CONSPIRACY

11. From in or about January 1995 through in or about February 1999, in the Eastern District of Pennsylvania and elsewhere, defendants

**WILLIAM KENNETH GARRETT
FRANCIS GERMAN
THOMAS MASSARA
DAWNELL GRIFFITH
KIMBERLI LANGE
LARRY DOBSON
MARSHA DOBSON
KAREN BEAM
BERTRAND DURHAM
ALAN SCHALL**

conspired and agreed, together and with others known and unknown to the grand jury, to commit mail fraud, that is, devised and intended to devise a scheme to defraud Universal Liquidators' brokers and to obtain money and property from those individuals by means of false and fraudulent pretenses, representations and promises, and for the purpose of executing the scheme delivered and caused to be delivered by mail and commercial carrier certain matters and things associated with Universal Liquidators, in violation of Title 18, United States Code, Section 1341.

MANNER AND MEANS

It was part of the conspiracy that:

12. Defendant **WILLIAM KENNETH GARRETT** restructured the business concept and documents used by his former employer, Surplus Agent of America (SAA), a St. Petersburg, Florida based corporation which sold surplus merchandising opportunities to brokers throughout the United States and went out of business in the fall of 1994, and began doing business as Universal Liquidators, a division of Retail Management Consultants, Inc. in Pennsylvania.

13. Defendant **WILLIAM KENNETH GARRETT** redesigned documents used by SAA, substituting that entity's name with Universal Liquidators and substituting SAA's president's name with that of defendant **FRANCIS GERMAN**.

14. Defendant **WILLIAM KENNETH GARRETT** created a disclosure document for distribution at franchise/trade shows which stated that Universal Liquidators, a division of Retail Management Consultants, Inc., was incorporated in the State of Pennsylvania in 1978, when, in fact, the entity identified as Universal Liquidators was not filed as the fictitious name of a business in the State of Pennsylvania until January 23, 1995.

15. Defendant **WILLIAM KENNETH GARRETT** created a disclosure document and an information booklet for distribution at franchise/trade shows which falsely stated that defendant **FRANCIS GERMAN** was the president of Universal Liquidators, who, in the early 1990's made the decision to form an international network of surplus brokers to take advantage of his vast experience in the surplus business. The documents falsely stated that in his position as president, defendant **FRANCIS GERMAN**, oversaw all aspects of the broker network business to ensure the success of all broker agents. The documents also falsely represented that defendant **FRANCIS GERMAN** had a business degree from Auburn University and an advanced degree from the University of Pennsylvania's Wharton School of Business, and had been a freelance marketing consultant with nearly two decades of experience in surplus brokering. In fact, defendant **FRANCIS GERMAN** was president in name only, having loaned his name to defendant **WILLIAM KENNETH GARRETT** to use with regard to Universal Liquidators, never attended Auburn University or the Wharton School, and lacked any experience in the surplus business.

16. The disclosure document created by defendant **WILLIAM KENNETH GARRETT** for distribution at franchise/trade shows also stated that none of the officers, directors or principal executives or salespersons of Universal Liquidators had ever been convicted of a felony or pleaded nolo contendere to a felony charge if the felony involved fraud, when, in fact, defendant **WILLIAM KENNETH GARRETT** and an individual known to the grand jury, M.L., now deceased, and at least one Universal Liquidators salesperson were previously convicted of felony offenses involving fraud.

17. Defendants **WILLIAM KENNETH GARRETT** and **THOMAS MASSARA** designed a sales presentation and brochures which falsely represented that Universal Liquidators was a central clearinghouse for more than 60 brand-name manufacturers who offered their closed-out, phased-out, overrun electronics, clothing, household and industrial/commercial products to Universal Liquidators' brokers at significantly discounted prices, using phrases such as "pennies on the dollar," "ten cents on the dollar," and "70 to 90 percent below retail price," when, in fact, Universal Liquidators lacked direct connections with brand-name manufacturers, as well, as other manufacturers for their merchandise at significantly reduced prices.

18. Defendants **WILLIAM KENNETH GARRETT** and **THOMAS MASSARA** included in the sales presentation and brochures the representation that for a price ranging between \$4,999 and \$5,999, Universal Liquidators' brokers would receive the names of over 2,000 brand-name manufacturers or suppliers or product listings on a daily basis and that the names of these companies/suppliers were updated daily, weekly or monthly, when, in fact, Universal Liquidators was unable to furnish and did not furnish brokers the names of brand-

name manufacturers or suppliers with available merchandise. Instead, Universal Liquidators either supplied its brokers with lists of brand-name merchandise being sold by other brokers at or close to retail price; lists of no-name brand, dollar store or flea market quality merchandise purportedly being made available by unidentified companies, most of which had, in fact, never heard of defendant **FRANCIS GERMAN** and Universal Liquidators and would not deal with brokers; the merchandise listed was no longer available because the lists were outdated; the lists of merchandise was constantly repeated; and/or the names of the companies provided were no longer in business because the lists containing their names were outdated.

19. Defendants **WILLIAM KENNETH GARRETT** and **THOMAS MASSARA** included in the sales presentation and manuals the representation that Universal Liquidators would supply brokers with ATD-1 forms and other trade directories, which identify a company's biography, speciality and contact information, but after individuals paid either \$4,999 or \$5,999 to become brokers they were told by Universal Liquidators' broker relations personnel that Universal Liquidators no longer provided that information and that Universal Liquidators lacked this information.

20. Defendants **WILLIAM KENNETH GARRETT** and **THOMAS MASSARA** included in the sales presentation and brochures the representation that Universal Liquidators' brokers would receive lists of pre-screened/pre-qualified buyers when, in fact, Universal Liquidators provided brokers with "Buyers" lists which were rarely updated, failed to provide willing buyers, and/or included companies identified on the "Buyer" lists which had never heard of defendant **FRANCIS GERMAN** and Universal Liquidators.

21. Defendants **WILLIAM KENNETH GARRETT** and **THOMAS**

MASSARA included in the sales presentation and brochures the representation that Universal Liquidators' brokers would obtain daily faxes from Universal Liquidators' broker relations department of available merchandise and that brokers could also access information regarding available information via an 800 access telephone number and a pin number. However, in fact, Universal Liquidators did not maintain a toll-free 800 access number and Universal Liquidators' brokers only learned of purportedly available merchandise if they engaged in a toll fax call to Universal Liquidators and endured high telephone bills to acquire information.

22. Defendants **WILLIAM KENNETH GARRETT** and **THOMAS**

MASSARA included in the sales presentation and brochures the representation that Universal Liquidators' brokers would receive one-on-one training from an experienced Universal Liquidators' broker in a "quick start" session and ongoing assistance from Universal Liquidators' broker relations department in putting their first few deals together and locating merchandise, when, in fact, the "quick start" sessions were given by individuals who lacked any experience as a Universal Liquidators' broker or in brokering surplus or liquidated merchandise. Also, Universal Liquidators' broker relations department lacked the experience and ability to assist brokers in locating merchandise and negotiating the sale of merchandise.

23. Defendants **WILLIAM KENNETH GARRETT** and **THOMAS**

MASSARA included in the sales presentation and brochures the representation that Universal Liquidators' brokers would never have to buy or warehouse merchandise after they paid to become a Universal Liquidators' broker, when, in fact, approximately 95 percent of the manuals

and other documents received by Universal Liquidators' brokers provided them with instructions on how to purchase and warehouse surplus merchandise.

24. Defendants **WILLIAM KENNETH GARRETT** and **THOMAS MASSARA** included in the sales presentation the representation that Universal Liquidators' broker applications were subject to an approval process and that there was a territorial limitation in place whereby there would be no more than 15 brokers in a state, when, in fact, defendant **WILLIAM KENNETH GARRETT** accepted the application of any individual who submitted a down payment.

25. Defendants **WILLIAM KENNETH GARRETT** and **THOMAS MASSARA** trained the salespersons employed by Universal Liquidators in accordance with the sales presentation and provided them with a sales script and videotapes of a sales presentation conducted by defendant **THOMAS MASSARA**.

26. Defendants **WILLIAM KENNETH GARRETT** and **THOMAS MASSARA** instructed salespersons to inform prospective brokers that they had closed surplus merchandise deals as Universal Liquidators' brokers, when, in fact, the salespersons had not.

27. Defendants **WILLIAM KENNETH GARRETT** and **THOMAS MASSARA** told salespersons to invite prospective Universal Liquidators' brokers to telephone Universal Liquidators' President, defendant **FRANCIS GERMAN**, and purported Universal Liquidators' brokers, defendants **BERTRAND DURHAM** and **KAREN BEAM**, to learn more about the opportunities that Universal Liquidators offered to its brokers based on the false representation that they were successful Universal Liquidators' brokers, when, in fact, defendant **FRANCIS GERMAN**, was President in name only of Universal Liquidators, defendants

BERTRAND DURHAM and **KAREN BEAM** were not Universal Liquidators' brokers and defendants **BERTRAND DURHAM** and **KAREN BEAM** were paid approximately \$100 for each telephone contact they made in which they falsely represented that Universal Liquidators was a profitable business opportunity and had the ability to provide its brokers with the means to broker surplus and liquidated merchandise.

28. Defendants **WILLIAM KENNETH GARRETT** and **THOMAS MASSARA** told salespersons to encourage prospective Universal Liquidators' brokers to telephone the **NBOB** to obtain information, including complaints, about Universal Liquidators, when, in fact, defendant **WILLIAM KENNETH GARRETT** had an arrangement with the **NBOB's** owner, defendant **ALAN SCHALL** to conceal Universal Liquidator's complaint history, which defendant **ALAN SCHALL** then did. Based on their arrangement, the **NBOB** apprised defendant **WILLIAM KENNETH GARRETT** of any complaints made to the **NBOB** by Universal Liquidators' brokers and afforded him the opportunity to resolve the complaint before amending Universal Liquidators' Company Information Report to reveal the filing of the complaint. In fact, based on their arrangement, the **NBOB** failed to disclose any of the complaints made by Universal Liquidators' brokers in 1995, 1996 and 1997, regardless of any action being taken by defendant **WILLIAM KENNETH GARRETT** in response to the complaints. Additionally, the **NBOB** apprised the complainants that the **NBOB** did not acknowledge complaints arising from any verbal understanding, misunderstanding, alleged promise or inducements that were not incorporated into the written agreement entered into between Universal Liquidators and any party.

29. Defendants **WILLIAM KENNETH GARRETT** and **THOMAS MASSARA** designed the placards and purchased the merchandise displayed at the franchise/trade shows which falsely represented that Universal Liquidators' brokers had the ability to obtain the displayed merchandise at the also displayed price, when, in fact, the merchandise was purchased by defendant **WILLIAM KENNETH GARRETT** and others known to the grand jury at chain stores at full retail price, and defendants **WILLIAM KENNETH GARRETT** and **THOMAS MASSARA**, as well as others known to the grand jury, posted fictitious prices on placards to be displayed with the merchandise to induce individuals at franchise/trade shows to become Universal Liquidators' brokers.

30. Defendant **WILLIAM KENNETH GARRETT** designed and caused the design of false and fraudulent testimonials by purported Universal Liquidators' brokers for distribution to prospective Universal Liquidators' brokers.

31. Defendant **WILLIAM KENNETH GARRETT** designed and caused the design of samples of "typical" listings of merchandise being made available to Universal Liquidators' brokers from manufacturers or suppliers of merchandise for distribution to prospective Universal Liquidators' brokers.

32. Defendant **WILLIAM KENNETH GARRETT** contracted with franchise and trade show promoters, including Bleinheim Shows, Business Opportunity Expos, Mart Franchise Ventures Expositions (MFV Expositions), and SC Promotions, to stage booths and the appearance of Universal Liquidators salespersons at their franchise/trade show venues throughout the United States and Canada.

33. Defendant **WILLIAM KENNETH GARRETT** forwarded placards and merchandise to be displayed by salespersons at the shows via Federal Express to the franchise/trade show locations.

34. At the direction of defendant **WILLIAM KENNETH GARRETT**, Universal Liquidators salespersons forwarded business opportunity purchase agreements, broker profiles, and down payments received as the result of the franchise/trade show presentations to Universal Liquidators' office in Fort Washington via Federal Express.

35. Defendant **WILLIAM KENNETH GARRETT** approved all broker applications submitted with a down payment, without conducting the promised screening or considering geographic limitations, and signed the name of defendant **FRANCIS GERMAN** on every acceptance letter and business opportunity purchase agreement submitted to prospective Universal Liquidators' brokers.

36. At the direction of defendant **WILLIAM KENNETH GARRETT** and as part of her duties, defendant **WILLIAM KENNETH GARRETT**'s administrative assistant mailed congratulatory acceptance letters and executed business opportunity agreements to broker applicants via the United States Mail.

37. At the direction of defendant **WILLIAM KENNETH GARRETT**, broker kits and training materials were sent from Universal Liquidators to brokers via Federal Express and, in accordance with the delivery directions, Federal Express collected cash on delivery payments of the balance for the broker fee from the brokers for Universal Liquidators.

38. Defendants **WILLIAM KENNETH GARRETT, FRANCIS GERMAN, THOMAS MASSARA, DAWNELL GRIFFITH, KIMBERLI LANGE, LARRY DOBSON,**

MARSHA DOBSON, KAREN BEAM, BERTRAND DURHAM, and others continued to market Universal Liquidators' brokerships while prior brokers were failing to receive promised information and support from Universal Liquidators and were making their complaints known to these defendants.

39. The **NBOB**, at the direction of defendant **ALAN SCHALL** continued to deny the existence of any complaints reported to the **NBOB** about Universal Liquidators despite numerous complaints reported to the **NBOB** which referenced Universal Liquidators' failure to deliver promised information and support.

40. Defendant **WILLIAM KENNETH GARRETT** accepted payments totaling more than \$8.4 million between January 1995 and February 1999 from approximately 1,500 individuals who paid \$4,999 or \$5,999 to become Universal Liquidators' brokers.

OVERT ACTS

In furtherance of the conspiracy, the defendants committed the following overt acts in the Eastern District of Pennsylvania and elsewhere:

1. Beginning in or about January 1995, defendant **WILLIAM KENNETH GARRETT** provided Universal Liquidators' salespersons with disclosure documents for distribution at franchise/trade shows which falsely represented, among other things, that defendant **FRANCIS GERMAN** was president of Universal Liquidators, had a business degree from Auburn University, an advanced degree from the Wharton School of Business, and vast experience in business and the surplus industry. The disclosure documents also falsely represented that none of the officers, directors, principal executives or salespersons had at any time been convicted of a felony or pleaded nolo contendere to a felony charge involving fraud.

Financial statements falsely represented the assets, liabilities and stock equity of Universal Liquidators.

Victim Stephens

2. On or about February 13, 1995, defendant **KIMBERLI LANGE** falsely represented to Janet Stephens, a prospective Universal Liquidators' broker who attended a franchise/trade show in New York, New York, that Universal Liquidators offered its brokers hundreds of leads a week on name brand products that were being sold at 10 to 20 percent below wholesale, including, juice extractors, stockings, cameras, video cassette recorders and televisions, because the manufacturers wanted to get rid of them to allow room for their newer models.

3. On or about February 13, 1995, defendant **KIMBERLI LANGE** falsely represented to Stephens that as a Universal Liquidators' broker she would be deluged with free samples from companies anxious to sell their products and desiring to deal with them as brokers of their merchandise.

4. On or about February 13, 1995, defendant **KIMBERLI LANGE** falsely represented that the only financial cost involved in being a Universal Liquidators' broker was the initial broker application fee of \$4,999, which would enable brokers to receive business directories, subscriptions to trade publications and access to an 800 access telephone number which would allow them to obtain information regarding merchandise being made available by sellers and lists of willing buyers.

5. On or about February 13, 1995, defendant **KIMBERLI LANGE** falsely represented that Universal Liquidators' brokers received publications that aided them in their

business that were not available to the public, including *The Trade News*, *Industrial Market Place*, *Close Out News*, *The Wholesaler*, and *The Swap News*.

6. On or about February 13, 1995, defendant **KIMBERLI LANGE** falsely represented to Stephens that Universal Liquidators only wanted three brokers in New York and that there was a long waiting list, but only the three most qualified would be accepted. Defendant **KIMBERLI LANGE** also falsely represented that the selection of Universal Liquidators' brokers was up to the company's president, Francis German.

7. On or about February 13, 1995, defendant **KIMBERLI LANGE** falsely held herself out to Stephens as a Universal Liquidators' broker by stating how she got started with Universal Liquidators and the large amount of money that she made working as a broker on a part-time basis.

8. On or about February 14, 1995, defendant **KAREN BEAM** falsely held herself out to Stephens as a successful Universal Liquidators' broker and falsely represented that the representations made in Universal Liquidators' sales materials were accurate.

9. On or about February 14, 1995, defendant **BERTRAND DURHAM** falsely held himself out to Stephens as a successful Universal Liquidators' broker.

10. On or about February 20, 1995, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on a broker acceptance letter, approving the application made by Stephens, and then mailed and caused the mailing of the letter to Stephens in St. Albans, New York.

11. On or about February 22, 1995, defendant **WILLIAM KENNETH GARRETT** deposited and caused to be deposited a check in the amount of \$4,990, representing

Stephens' down payment for a Universal Liquidators' broker opportunity, into Universal Liquidators' PNC Bank account.

Victim Bell

12. On or about February 13, 1995, defendant **KAREN BEAM** falsely represented to Stanley Bell, a prospective Universal Liquidators' broker at a franchise/trade show in Phoenix, Arizona, that Universal Liquidators offered a business opportunity to broker products at 10 to 20 percent off list price without using the broker's own money.

13. On or about February 20, 1995, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on an acceptance letter, approving the broker application made by Bell, and then mailed and caused the mailing of the letter to Bell in Mesa, Arizona.

Victim Torrens

14. On or about February 21, 1995, defendant **THOMAS MASSARA** falsely represented to Carolyn G. Torrens, a prospective Universal Liquidators' broker who attended a franchise/trade show in San Antonio, Texas, that Universal Liquidators was very selective as to whom they accepted to become brokers and would only accept a few brokers in the San Antonio area.

15. On or about February 26, 1995, defendant **KIMBERLI LANGE** falsely represented to Torrens that she had been a broker for approximately one year and was quitting her full-time job as a teacher to be a full-time broker with Universal Liquidators.

16. On or about March 5, 1995, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on a broker acceptance letter,

approving the broker application made by Torrens, and then mailed and caused the mailing of the letter to Torrens in San Antonio, Texas.

Victim Hubbell

17. On or about March 28, 1995, defendant **WILLIAM KENNETH GARRETT** falsely represented to William Hubbell, a prospective Universal Liquidators' broker who attended a franchise/trade show in Albuquerque, New Mexico, that he used to be in the computer close-out business just before he started with Universal Liquidators after Hubbell told defendant **WILLIAM KENNETH GARRETT** that he was interested in brokering computers.

18. On or about March 28, 1995, defendant **BERTRAND DURHAM** falsely represented to Hubbell that he had been a broker with Universal Liquidators since June 1994.

19. On or about March 31, 1995, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on a broker acceptance letter and a business opportunity purchase agreement, approving the broker application made by Hubbell, and then mailed and caused the mailing of the letter and executed agreement to Hubbell in Rio Rancho, New Mexico.

Victim Petruzzo

20. In or about March 1995, at the direction of defendant **WILLIAM KENNETH GARRETT**, a Universal Liquidators salesperson known to the grand jury falsely represented to Richard M. Petruzzo, a prospective Universal Liquidators' broker who attended a franchise/trade show in Valley Forge, Pennsylvania, that Universal Liquidators provided its brokers with lists of companies who have liquidated merchandise for sale and places where this merchandise could be sold or persons willing to buy the merchandise.

21. On or about April 5, 1995, defendant **WILLIAM KENNETH GARRETT** took possession of a check in the amount of \$2,500 and a business opportunity purchase agreement, personally given to him by Petruzzo, representing Petruzzo's remaining payment for a broker opportunity with Universal Liquidators, at Universal Liquidators' Fort Washington office.

22. On or about April 6, 1995, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on an acceptance letter and business opportunity purchase agreement, approving the broker application made by Western, and then mailed and caused the mailing of the letter from Fort Washington, Pennsylvania to Petruzzo in Havertown, Pennsylvania via the United States Mail.

Victim Westen

23. On or about June 3, 1995, defendant **THOMAS MASSARA** falsely represented to Jack Westen, a prospective Universal Liquidators' broker who attended a franchise/trade show in Vancouver, British Columbia, that Universal Liquidators offered its brokers the opportunity to broker the sale of surplus and liquidated merchandise being made available by the manufacturer at pennies on the dollar to willing buyers.

24. On or about June 5, 1995, defendant **KAREN BEAM** falsely represented to Westen that she was a Universal Liquidators' broker who specialized in the sales of giftware and was very satisfied with the program.

25. On or about June 8, 1995, defendant **THOMAS MASSARA** wrote a note to Westen explaining how to complete Universal Liquidators' business opportunity purchase agreement and encouraging her to apply to become a broker and submit a down payment.

26. On or about June 19, 1995, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on an acceptance letter, approving the broker application made by Western, and then mailed and caused the mailing of the letter from Fort Washington, Pennsylvania to Jack Westen in Gibson, British Columbia, Canada.

27. On or about June 19, 1995, defendant **WILLIAM KENNETH GARRETT** sent and caused a broker kit to be sent from Fort Washington, Pennsylvania to Westen in Gibson, British Columbia, Canada via Federal Express.

Victim Rauch

28. On or about August 3, 1995, defendant **WILLIAM KENNETH GARRETT** sent and caused the sending of a Universal Liquidators sales kit from Fort Washington, Pennsylvania to defendant **LARRY DOBSON**, in care of the Embassy Suites, in Cincinnati, Ohio.

29. On or about August 19, 1995, defendant **MARSHA DOBSON** falsely represented to Daniel F. Rauch, a prospective Universal Liquidators' broker who attended a franchise/trade show in Cincinnati, Ohio, that she and her husband, defendant **LARRY DOBSON**, were Universal Liquidators' brokers and had done so well that they were able to purchase the farm of their dreams in Tennessee. Defendant **MARSHA DOBSON** also falsely represented to Rauch that she and her husband were not salespersons, but were only making the sales presentation on behalf of Universal Liquidators as a favor to the company because the intended presenter got sick.

30. On or about August 19, 1995, defendant **BERTRAND DURHAM** falsely represented his experience brokering surplus/liquidated merchandise as a Universal Liquidators' broker to Rauch.

31. On or about August 25, 1995, defendant **WILLIAM KENNETH GARRETT** deposited and caused the deposit of a check in the amount of \$1,000, representing Rauch's down payment for a Universal Liquidators' broker opportunity, into Universal Liquidator's PNC Bank account.

Victim Whalen

32. On or about September 6, 1995, defendant **WILLIAM KENNETH GARRETT** sent and caused the sending of Universal Liquidators sales supplies from Fort Washington, Pennsylvania to a Universal Liquidators salesperson known to the grand jury, in care of the Cambridge Suites, in Halifax, Nova Scotia, Canada.

33. On or about September 6, 1995, defendant **WILLIAM KENNETH GARRETT** sent and caused the sending of a Universal Liquidators booth and sales materials, including a banner, furniture, toys, paperwork, video tapes, and a fax machine, from Fort Washington, Pennsylvania to a Universal Liquidators salesperson known to the grand jury, in care of the Cambridge Suites, in Halifax, Nova Scotia, Canada.

34. On or about September 10, 1995, defendant **BERTRAND DURHAM** falsely represented his experience brokering surplus/liquidated merchandise as a Universal Liquidators' broker to Ann Whalen, a prospective Universal Liquidators' broker who attended a franchise/trade show in Halifax, Nova Scotia.

35. On or about September 15, 1995, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on a broker acceptance letter and a business opportunity purchase agreement, approving the broker application made by Whalen, and then mailed and caused the mailing of the letter and executed agreement to Whalen in Hants County, Nova Scotia, Canada.

36. On or about September 15, 1995, defendant **WILLIAM KENNETH GARRETT** sent and caused a broker kit to be sent from Fort Washington, Pennsylvania to Whalen in Newport, Nova Scotia, Canada via Federal Express.

Victim Idselis

37. On or about October 11, 1995, defendants **LARRY DOBSON** and **MARSHA DOBSON** falsely represented to Karen Idselis, a prospective Universal Liquidators' broker who attended a franchise/trade show in Winston-Salem, North Carolina, that they were successful Universal Liquidators' brokers, doing business as "A Plus Surplus."

38. On or about October 11, 1995, defendants **LARRY DOBSON** and **MARSHA DOBSON** falsely represented to Idselis that Universal Liquidators offered a home-based business opportunity to broker the sale of brand name merchandise and that, after receiving training from Universal Liquidators experienced broker relations department, Idselis would be able to broker merchandise using the directories that she would be provided, a telephone and a fax machine.

39. On or about October 1, 1995, defendants **LARRY DOBSON** and **MARSHA DOBSON** falsely represented to Idselis that the merchandise was being made available by pre-screened suppliers of brand-name merchandise. Defendants **LARRY**

DOBSON and **MARSHA DOBSON** falsely represented that brokers were supplied with confidential and proprietary directories containing the names, telephone numbers and fax numbers of the brand name suppliers and their representatives and the names, telephone numbers and fax numbers of willing buyers. Defendants **LARRY DOBSON** and **MARSHA DOBSON** also falsely represented that these directories, which they refused to allow Idselis to view prior to becoming a broker because of their purported confidential and proprietary nature, were purportedly constantly updated by Universal Liquidators' broker relations department.

40. On or about October 11, 1995, defendants **LARRY DOBSON** and **MARSHA DOBSON** falsely represented to Idselis that Universal Liquidators faxed its brokers on a daily basis with "Deals of the Day."

41. On or about October 1, 1995, defendants **LARRY DOBSON** and **MARSHA DOBSON** falsely represented to Idselis that the suppliers identified in Universal Liquidators' directories and faxes of suppliers of available merchandise would accept a letter of intent from Universal Liquidators' brokers to sell their merchandise and that they would put a hold on the sale of the merchandise while the broker attempted to sell the merchandise.

42. On or about October 11, 1995, defendants **LARRY DOBSON** and **MARSHA DOBSON** falsely represented to Idselis that the suppliers of merchandise were willing to provide samples to assist Universal Liquidators' brokers in brokering the sale of their merchandise.

43. On or about October 11, 1995, defendants **LARRY DOBSON** and **MARSHA DOBSON** falsely represented to Idselis that the merchandise being made available to Universal Liquidators' brokers was ideally suited for export purposes.

44. On or about October 11, 1995, defendants **LARRY DOBSON** and **MARSHA DOBSON** forwarded a check in the amount of \$1,158 and a business opportunity purchase agreement, representing Idselis' down payment and broker application, from Winston-Salem, North Carolina to Universal Liquidators' office in Fort Washington, Pennsylvania via Federal Express.

45. On or about October 11, 1995, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on the business opportunity purchase agreement, approving the broker application made by Idselis, and then mailed and caused the mailing of the executed agreement to Idselis in Winston-Salem, North Carolina.

Victim Benedetto

46. On or about November 8, 1995, defendant **MARSHA DOBSON** falsely represented to Catherine Benedetto, a prospective Universal Liquidators' broker who attended a franchise/trade show in Durham, North Carolina, that Universal Liquidators offered its brokers the opportunity to broker brand-name only merchandise.

47. On or about November 8, 1995, defendant **MARSHA DOBSON** falsely represented to Benedetto that once a broker paid the initial broker acceptance fee, there was no additional expense to the broker involved in brokering merchandise.

48. On or about November 8, 1995, defendant **MARSHA DOBSON** falsely represented to Benedetto that Universal Liquidators' broker relations department would assist brokers in closing their deals.

49. On or about November 8, 1995, defendant **MARSHA DOBSON** falsely represented to Benedetto that Universal Liquidators was adding only six new brokers to its

program and that Benedetto's broker application would be subject to an approval process that included checking out her background and other information contained in her broker application.

50. On or about November 8, 1995, defendant **KAREN BEAM** falsely represented to Benedetto that she had been a Universal Liquidators' broker for approximately a year and a half.

51. On or about November 8, 1995, defendant **BERTRAND DURHAM** falsely represented to Benedetto that he became a Universal Liquidators' broker in November 1994, that the program met his expectations and that he only worked six hours per week. Defendant **BERTRAND DURHAM** also falsely represented that Universal Liquidators' broker relations department helped him in brokering merchandise.

52. On or about November 10, 1995, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on a broker acceptance letter and business opportunity purchase agreement, approving of the broker application made by Benedetto, and then mailed and caused the mailing of the letter and executed agreement to Benedetti in Apex, North Carolina.

53. On or about November 14, 1995, defendant **WILLIAM KENNETH GARRETT** deposited and caused the deposit of a check in the amount of \$1,200, representing Benedetto's down payment for a Universal Liquidators' broker opportunity, into Universal Liquidator's PNC Bank account.

Victims Finical and Yount

54. On or about November 14, 1995, defendants **LARRY DOBSON** and **MARSHA DOBSON** falsely represented to Diana Finical and Heather Yount, prospective

Universal Liquidators' brokers who attended a franchise/trade show in Rockford, Illinois, that, as Universal Liquidators' brokers, Universal Liquidators would help them secure their first five to six sales by providing them with buyers and sellers of merchandise and hold conference calls with the buyers and sellers to assist Finical and Yount in closing their first deals. Defendants **LARRY DOBSON** and **MARSHA DOBSON** also falsely represented to Finical and Yount that Universal Liquidators would not charge Finical and Yount for assisting them in closing their first deals because the charge was included in the original broker acceptance fee.

55. On or about November 17, 1995, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on a broker acceptance letter and a business opportunity purchase agreement, approving the broker application made by Finical and Yount, and then mailed and caused the mailing of the letter and executed agreement to Finical and Yount in Freeport, Illinois.

56. On or about June 3, 1996, at the direction of defendant **ALAN SHALL**, the **NBOB** notified defendant **WILLIAM KENNETH GARRETT** of a complaint filed against Universal Liquidators by Finical and Yount and provided defendant **GARRETT** the opportunity not to have the complaint appear on Universal Liquidators' Company Information Report.

57. On or about July 9, 1996, defendant **WILLIAM KENNETH GARRETT** transmitted a letter via facsimile to the **NBOB** requesting that the **NBOB** remove a complaint filed by Finical and Yount from Universal Liquidators' Company Information Report "ASAP."

Victim Rizzio

58. On or about November 14, 1995, defendants **LARRY DOBSON** and **MARSHA DOBSON** falsely represented to Jennifer Rizzio, a prospective Universal

Liquidators' broker who attended a franchise/trade show in Rockford, Illinois, that they were successful Universal Liquidators' brokers and had made enough money in their first year of brokering the sale of merchandise to start up a horse ranch in Montana.

59. On or about November 14, 1995, defendant **LARRY DOBSON** falsely represented to Rizzio that Universal Liquidators offered brokers the opportunity to broker brand-name merchandise being offered by companies to Universal Liquidators at well below wholesale prices. Defendant **LARRY DOBSON** also falsely represented that brokers were provided with listings of sellers and willing buyers and that the listings were updated on an on-going basis to ensure their accuracy.

60. On or about November 14, 1995, defendant **LARRY DOBSON** falsely represented to Rizzio that, as a broker, she would receive magazines, including *Closeout News*, that were not sold anywhere and were not available to the public. Defendant **LARRY DOBSON** also falsely represented that the magazines would offer many leads every month for buyers and sellers willing to work with brokers.

61. On or about November 14, 1995, defendant **LARRY DOBSON** falsely represented to Rizzio that Universal Liquidators maintained a toll-free 800 access number that would enable her to contact Universal Liquidators' broker relations department. Defendant **LARRY DOBSON** falsely represented that Universal Liquidators' broker relations department was always available to help brokers and would assist her in securing her first few deals by providing her with a seller with available merchandise and a buyer willing to buy the merchandise. Defendant **LARRY DOBSON** also falsely represented that Universal Liquidators'

broker relations department would help close the deals at no charge to her because the broker relations department's services were built into the original broker fee.

62. On or about November 14, 1995, defendants **LARRY DOBSON** and **MARSHA DOBSON** falsely represented to Rizzio that Universal Liquidators was limiting the number of brokers in the area of Rockford, Illinois to no more than five brokers.

63. On or about November 14, 1995, defendant **BERTRAND DURHAM** falsely represented to Rizzio that he was enjoying great success as a Universal Liquidators' broker, making good money, and that there were a lot of products being made available through Universal Liquidators that people were willing to buy.

64. On or about November 14, 1995, defendant **KAREN BEAM** falsely represented to Rizzio that she had been a Universal Liquidators' broker for four or five years and that she too was making a lot of money brokering merchandise.

65. On or about November 14, 1995, defendant **LARRY DOBSON** forwarded a check in the amount of \$1,200 and a business opportunity agreement, representing Rizzio's down payment and broker application, from Rockford, Illinois to Universal Liquidators' office in Fort Washington, Pennsylvania via Federal Express.

66. On or about November 17, 1995, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on a broker acceptance letter and business opportunity purchase agreement, approving the broker application made by Rizzio, and then mailed and caused the mailing of the letter and executed agreement to Rizzio in Loves Park, Illinois.

Victim Hobbs

67. On or about November 21, 1995, at the direction of defendant **WILLIAM KENNETH GARRETT**, a Universal Liquidators salesperson known to the grand jury, falsely advised Louis Ray Hobbs, a prospective broker who attended a franchise/trade show in Dallas, Texas, that the \$5,790 expense he would be charged to become a Universal Liquidators' broker was 100% tax deductible.

68. On or about November 22, 1995, defendant **WILLIAM KENNETH GARRETT** falsely represented to Hobbs that Universal Liquidators would sign up no more than 15 brokers in Texas.

69. On or about November 22, 1995, defendant **KAREN BEAM** falsely represented to Hobbs that she was very satisfied with the Universal Liquidators program and the support of the broker relations department.

70. On or about November 27, 1995, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on a broker acceptance letter and business opportunity purchase agreement, approving the broker application made by Hobbs, and then mailed and caused the mailing of the letter and executed agreement to Hobbs in Richardson, Texas.

71. On or about November 28, 1995, defendant **WILLIAM KENNETH GARRETT** sent and caused the sending of a broker kit to Hobbs via Federal Express.

Victim DiFranco

72. On or about November 29, 1995, defendant **KAREN BEAM** falsely represented to Sonny DiFranco, a prospective Universal Liquidators' broker who attended a franchise/trade show in Austin, Texas, that she had been a Universal Liquidators' broker for

more than one year. Defendant **KAREN BEAM** also falsely represented that she had recouped the money she had paid to become a Universal Liquidators' broker within approximately three months after becoming a broker.

73. On or about November 30, 1995, defendant **BERTRAND DURHAM** falsely represented to DiFranco that he had been a Universal Liquidators' broker for more than one year. Defendant **BERTRAND DURHAM** also falsely represented that he had recouped the money he had paid to become a Universal Liquidators' broker in approximately three months after becoming a broker and that the investment was "a sure thing."

74. On or about December 20, 1995, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on a broker acceptance letter and business opportunity purchase agreement, approving the application made by DiFranco, and then mailed them and caused the mailing of the letter and executed agreement to DiFranco in Austin, Texas.

75. On or about December 21, 1995, defendant **WILLIAM KENNETH GARRETT** deposited and caused the deposit of a check in the amount of \$5,990, representing the remainder of DiFranco's payment for a Universal Liquidators' broker kit and services, into Universal Liquidators' PNC Bank account.

Victims Zavela and Zavela

76. On or about January 15, 1996, defendant **THOMAS MASSARA** falsely represented to Judy and Dan Zavela, prospective Universal Liquidators' brokers who attended a franchise/trade show in Houston Texas, that Universal Liquidators offered them the opportunity to broker the sale of surplus brand-name merchandise. Defendant **THOMAS MASSARA**

falsely represented that, as a broker, Universal Liquidators would make available a fax of all products they had for sale on a weekly basis.

77. On or about January 15, 1996, defendant **THOMAS MASSARA** falsely represented to the Zavelas that technical and sales assistance would be available to all Universal Liquidators' brokers and that Universal Liquidators' broker relations department would help brokers close deals as the broker's partner, sharing 50% of all commissions.

78. On or about January 15, 1996, defendant **MASSARA** falsely represented that he had earned \$250,000 as a Universal Liquidators' broker in 1995 by working only a few hours a day.

79. On or about January 17, 1996, defendant **WILLIAM KENNETH GARRETT** advised the Zavelas that they could immediately receive their broker kit if they wired the broker fee of \$5,999 into Universal Liquidators' PNC Bank account, causing the Zavelas to make the wire transfer of \$5,999 as instructed.

Victim Hutton

80. On or about February 18, 1996, defendant **THOMAS MASSARA** falsely represented to Kathleen Hutton, a prospective Universal Liquidators' broker who attended a franchise/trade show in Rosemont, Illinois, that for a broker fee of \$5,999, Universal Liquidators would supply her with all of the materials and training needed to broker the sale of brand-name merchandise. Defendant **THOMAS MASSARA** falsely represented that Hutton would not be required to incur any additional costs. Defendant **THOMAS MASSARA** also falsely represented the training that Hutton would receive from Universal Liquidators' broker relations department once she paid the broker fee.

81. On or about February 18, 1996, defendant **THOMAS MASSARA** falsely represented that Universal Liquidators was limiting the number of brokers that would be accepted by Universal Liquidators.

82. On or about February 18, 1996, defendant **THOMAS MASSARA** falsely represented to Hutton that brokering merchandise through Universal Liquidators was “really easy” and that she would be making “big money” right away.

83. On or about February 19, 1996, defendant **WILLIAM KENNETH GARRETT** falsely represented to Hutton that Universal Liquidators was a great business and that she would make “lots of money.”

84. On or about February 19, 1996, defendant **KAREN BEAM** falsely represented to Hutton that she had made enough money as a Universal Liquidators’ broker that she quit her regular job within six months of becoming a broker.

85. On or about February 19, 1996, at the direction of defendant **ALAN SCHALL**, the **NBOB** issued a report to Hutton which falsely represented that there had been no complaints filed with the **NBOB** regarding Universal Liquidators.

86. On or about February 21, 1996, defendant **THOMAS MASSARA** forwarded a check in the amount of \$1,200 and a business opportunity purchase agreement, representing Hutton’s down payment and broker application to Universal Liquidator’s office in Fort Washington, PA, via Federal Express.

87. On or about February 26, 1996, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on an acceptance letter and a business opportunity purchase agreement, approving the application made by Hutton, and then

mailed and caused the mailing of the letter and executed agreement to Hutton in New Lenox, Illinois.

88. On or about February 27, 1996, defendant **WILLIAM KENNETH GARRETT** deposited and caused the deposit of a check in the amount of \$1,200, representing Hutton's down payment for a Universal Liquidators' broker opportunity, into Universal Liquidators' PNC Bank account.

Victim Moore

89. On or about March 5, 1996, defendant **DAWNELL GRIFFITH** falsely represented to Charlotte Moore, a prospective Universal Liquidators' broker who attended a franchise/trade show in Baton Rouge, Louisiana, that Universal Liquidators was offering a business opportunity to broker the sale of merchandise being made available by companies at ten cents on the wholesale dollar. Defendant **DAWNELL GRIFFITH** also falsely represented that Universal Liquidators would provide lists of the companies and available merchandise on a daily basis.

90. On or about March 5, 1996, defendant **DAWNELL GRIFFITH** falsely represented to Moore that Universal Liquidators would only accept a certain number of brokers from the area of Baton Rouge, Louisiana.

91. On or about March 5, 1996, defendant **DAWNELL GRIFFITH** provided Moore with a business opportunity purchase agreement for her to complete and forward to Universal Liquidators' office in Fort Washington, Pennsylvania in a pre-paid Federal Express envelope, also provided by defendant **DAWNELL GRIFFITH**, along with Moore's check of \$1,200, representing her broker application down payment.

92. On or about March 7, 1996, the **NBOB**, at the direction of defendant **ALAN SHALL**, submitted a company information report to Moore which falsely represented that there were no complaints on file with the **NBOB** regarding Universal Liquidators.

93. On or about March 13, 1996, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on a broker acceptance letter and business opportunity purchase agreement, approving the application made by Moore, and then mailed and caused the mailing of the letter and agreement to in Greenwell Springs, Louisiana.

Victim Luster

94. On or about March 16, 1996, defendants **LARRY DOBSON** and **MARSHA DOBSON** falsely represented to Jimmy B. Luster, a prospective Universal Liquidators' broker who attended a trade show in Springfield, Missouri, that they were active Universal Liquidators' brokers and were financially successful. The defendants also falsely represented that defendant **MARSHA DOBSON** had purchased an automobile with monies she earned as a broker.

95. On or about March 16, 1996, defendants **LARRY DOBSON** and **MARSHA DOBSON** falsely represented that they were only conducting the sales presentation because Universal Liquidators' salesperson was unavailable.

96. On or about March 16, 1996, defendants **LARRY DOBSON** and **MARSHA DOBSON** falsely represented that cost of becoming a Universal Liquidators' broker was escalating from \$5,999 to \$14,000 in 1997.

97. On or about March 22, 1996, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on a broker acceptance letter and a business opportunity purchase agreement, approving the broker application made by Luster, and then mailed and caused the mailing of the letter and executed agreement to Luster in El Dorado Springs, Missouri.

Victim Delforge

98. On or about March 25, 1996, defendants **LARRY DOBSON** and **MARSHA DOBSON** falsely represented to Deborah Delforge, a prospective Universal Liquidators' broker who attended a franchise/trade show in Madison, Wisconsin, that Universal Liquidators was offering a home-based business opportunity brokering the sale of first-quality surplus or liquidated products, such as, brand-name answering machines, telephones, televisions and other household products from manufacturers and manufacturer's representatives. Defendants also falsely represented that the brand-name merchandise was available at pennies on the dollar.

99. On or about March 25, 1996, defendants **LARRY DOBSON** and **MARSHA DOBSON** falsely represented to Delforge that Universal Liquidators' brokers only needed to link buyers and sellers together and to arrange for shipping of merchandise.

100. On or about March 25, 1996, defendants **LARRY DOBSON** and **MARSHA DOBSON** falsely represented to Delforge that medical supplies suited for dentists, hygienists and others in the healthcare field were among the products being made available by manufacturers and manufacturer's representatives to Universal Liquidators.

101. On or about March 25, 1996, defendants **LARRY DOBSON** and **MARSHA DOBSON** falsely represented to Delforge that free samples could be obtained of available merchandise from manufacturers and sellers.

102. On or about March 25, 1996, defendants **LARRY DOBSON** and **MARSHA DOBSON** falsely represented to Delforge that Universal Liquidators' experienced broker relations department would assist brokers in putting deals together and answering any questions about brokering merchandise.

103. On or about March 25, 1996, defendants **LARRY DOBSON** and **MARSHA DOBSON** falsely represented to Delforge that Universal Liquidators' brokers could contact Universal Liquidators' broker relations department and have a hold placed on merchandise that the broker identified from the lists of available merchandise so that the broker could have the opportunity to negotiate the sale of the merchandise.

104. On or about March 25, 1996, defendants **LARRY DOBSON** and **MARSHA DOBSON** falsely represented to Delforge that Universal Liquidators would select only two brokers from the area of Madison, Wisconsin.

105. On or about March 25, 1996, defendant **KAREN BEAM** falsely represented to Delforge that she was doing very well as a Universal Liquidators' broker and, as a result, was selling her restaurant and was going to broker merchandise through Universal Liquidators full-time.

106. On or about March 25, 1996, defendant **BERTRAND DURHAM** falsely represented to Delforge that he was a Universal Liquidators' broker and did brokering part-time.

107. On or about March 25, 1996, defendant **MARSHA DOBSON** forwarded a check in the amount of \$1,200 and a business opportunity purchase agreement, representing Delforge's down payment and broker application, from Madison, Wisconsin to Universal Liquidators' office in Fort Washington, Pennsylvania via Federal Express.

Victim De Pierro

108. On or about March 31, 1996, defendant **THOMAS MASSARA** falsely represented to Johanna De Pierro, a prospective Universal Liquidators' broker who attended a franchise/trade show in Secaucus, New Jersey, that Universal Liquidators' surplus broker program afforded the opportunity to broker the sale of brand name merchandise being made available for 10 cents on the dollar and training on how to utilize Universal Liquidators' method of brokering such merchandise. Defendant **THOMAS MASSARA** falsely represented that the business opportunity afforded Universal Liquidators' brokers daily faxes of available merchandise. He also falsely represented to De Pierro that the opportunity to become one of Universal Liquidators' network of brokers was available to her for a limited time only.

109. On or about April 2, 1996, defendant **THOMAS MASSARA** falsely represented that the opportunity to join Universal Liquidators' network of brokers was for a limited time only. Defendant **THOMAS MASSARA** also falsely represented that Universal Liquidators was involved in dividing the program into three sections, each of which would cost \$5,995, but if De Pierro joined at the time, she could get all three programs for \$5,995.

110. On or about April 2, 1996, defendant **THOMAS MASSARA** falsely told De Pierro that simply submitting a broker application along with a down payment did not ensure her acceptance by Universal Liquidators' president to become one of its brokers.

111. On or about April 8, 1996, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on a broker acceptance letter, approving the broker application made by De Pierro, and then mailed and caused the mailing of the letter to De Pierro in Yonkers, New York.

112. On or about April 9, 1996, defendant **WILLIAM KENNETH GARRETT** deposited and caused the deposit of a check in the amount of \$1,200, representing De Pierro's down payment for a Universal Liquidators' broker opportunity, into Universal Liquidator's PNC Bank account.

Victim Hogan

113. On or about May 7, 1996, the **NBOB**, at the direction of defendant **ALAN SHALL**, submitted a company information report to Brenda H. Hogan, a prospective Universal Liquidators' broker who attended a franchise/trade show in Little Rock, Arkansas, which report falsely represented that there were no complaints on file with the **NBOB** regarding Universal Liquidators.

114. On or about May 7, 1996, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on a business opportunity purchase agreement, approving the broker application made by Hogan.

Victim Abbott

115. On or about May 18, 1996, defendant **KIMBERLI LANGE** falsely represented to John W. Abbott, a prospective Universal Liquidators' broker who attended a franchise/trade show in Atlanta, Georgia, that Universal Liquidators' surplus broker program had Levi's jeans and Spalding baseball gloves available at 10 to 30 percent below wholesale price.

116. On or about May 23, 1996, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on a broker acceptance letter and business opportunity purchase agreement, approving the broker application made by Abbott, and then mailed and caused the mailing of the letter and executed agreement to Abbott in Chickamauga, Georgia.

117. On or about June 19, 1996, defendant **WILLIAM KENNETH GARRETT** sent and caused the sending of a broker kit from Universal Liquidators' office in Fort Washington, Pennsylvania to Abbott in Chickamauga, Georgia via Federal Express, with instructions for Federal Express to collect on delivery the cash payment of the balance for the broker fee and forward such payment to Universal Liquidators' office in Fort Washington, Pennsylvania.

118. On or about June 20, 1996, defendant **WILLIAM KENNETH GARRETT** caused the delivery by Federal Express of a cash on delivery payment of the balance of Abbott's broker fee to Universal Liquidators' office in Fort Washington, Pennsylvania.

119. On or about August 14, 1996, defendant **WILLIAM KENNETH GARRETT** denied to Abbott that there was any fraud attached to Universal Liquidator. **GARRETT** also refused to hear any complaints made from Abbott.

Victim Stoneback

120. On or about May 22, 1996, defendant **WILLIAM KENNETH GARRETT** falsely represented to Russell Stoneback, a prospective Universal Liquidators' broker who attended a franchise/trade show in Atlanta, Georgia, that Universal Liquidators was limiting the number of brokers in the Atlanta, Georgia area to no more than fifteen.

121. On or about May 22, 1996, defendants **THOMAS MASSARA** and **KIMBERLI LANGE** falsely represented to Stoneback that, as a broker, Universal Liquidators would supply him with daily faxes listing merchandise being liquidated by manufacturers and their representatives and with a list of hundreds of potential buyers.

122. On or about May 22, 1996, defendants **THOMAS MASSARA** and **KIMBERLI LANGE** took possession of a check in the amount of \$1,200, representing Stoneback's down payment toward becoming a Universal Liquidators' broker.

123. On or about May 24, 1996, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on a broker acceptance letter and a business opportunity purchase agreement, approving the broker application made by Stoneback, and then mailed and caused the mailing of the letter and executed agreement to Stoneback in Stone Mountain, Georgia via the United States Mail.

124. On or about May 28, 1996, defendant **WILLIAM KENNETH GARRETT** sent and caused the sending of a broker kit from Universal Liquidators' office in Fort Washington, Pennsylvania to Stoneback in Stone Mountain, Georgia via Federal Express with instructions for Federal Express to collect on delivery the cash payment of the balance for the broker fee and forward such payment to Universal Liquidators' office in Fort Washington, Pennsylvania.

125. On or about June 29, 1996, defendant **WILLIAM KENNETH GARRETT** caused Federal Express to forward a cash on delivery payment of the balance of a broker fee to Universal Liquidators' office in Fort Washington, Pennsylvania.

Victims Lowe and Dart

126. On or about July 9, 1996, defendant **WILLIAM KENNETH GARRETT** sent and caused the sending of Universal Liquidators show boxes from Fort Washington, Pennsylvania to defendants **LARRY DOBSON** and **MARSHA DOBSON** in care of the Radisson Inn in Kenner, Louisiana.

127. On or about July 10, 1996, defendant **WILLIAM KENNETH GARRETT** sent and caused the sending of a Universal Liquidators sales kit from Fort Washington, Pennsylvania to defendants **LARRY DOBSON** and **MARSHA DOBSON** in care of the Radisson Inn in Kenner, Louisiana.

128. On or about July 16, 1996, defendants **LARRY DOBSON** and **MARSHA DOBSON** falsely represented to Marie Lowe and Lisa Dart, prospective Universal Liquidators' brokers who attended a franchise/trade show presentation in Kenner, Louisiana, that Universal Liquidators would supply them with approximately 100 faxes daily of lists of sellers with merchandise and buyers looking for merchandise.

129. On or about July 16, 1996, defendant **MARSHA DOBSON** falsely represented to Lowe and Dart that they could easily make enough money as Universal Liquidators' brokers that they would be able to afford the house of their dreams in two years.

130. On or about July 17, 1996, defendant **BERTRAND DURHAM** falsely represented to Lowe and Dart that he had made \$6,000 in one month brokering surplus/liquidated merchandise with Universal Liquidators.

131. On or about July 18, 1996, defendant **LARRY DOBSON** forwarded a check in the amount of \$1,200 and a business opportunity purchase agreement, representing Lowe

and Dart's down payment and broker application, from Kenner, Louisiana to Universal Liquidators' office in Fort Washington, Pennsylvania via Federal Express.

132. On or about July 19, 1996, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on a broker acceptance letter and a business opportunity purchase agreement, approving the broker application made by Lowe and Dart, and then mailed and caused the mailing of the letter and executed agreement to Lowe and Dart in New Orleans, Louisiana.

133. On or about July 19, 1996, defendant **WILLIAM KENNETH GARRETT** caused to be deposited a check in the amount of \$1,200, representing Lowe and Dart's down payment for a Universal Liquidators' broker opportunity, into Universal Liquidators' PNC Bank account.

134. On or about July 22, 1996, defendant **WILLIAM KENNETH GARRETT** sent and caused a broker kit to be sent from Universal Liquidators' office in Fort Washington, Pennsylvania to Lowe and Dart in New Orleans, Louisiana via Federal Express with instructions for Federal Express to collect on delivery the cash payment of the balance for the broker fee and forward such payment to Universal Liquidators' office in Fort Washington, Pennsylvania.

135. On or about July 24, 1996, defendant **WILLIAM KENNETH GARRETT** deposited and caused to be deposited a check in the amount of \$4,790, representing the remainder of Lowe and Dart's payment for a Universal Liquidators' broker kit and services, into Universal Liquidators' PNC Bank account.

Victims Tirado and Tirado

136. On or about September 11, 1996, defendant **WILLIAM KENNETH GARRETT** sent and caused the sending of Universal Liquidators sales kit from Fort Washington, Pennsylvania to a Universal Liquidators salesperson known to the grand jury, in care of the Sheraton Suites in Dallas, Texas.

137. On or about September 14, 1996, at the direction of defendant **WILLIAM KENNETH GARRETT**, a Universal Liquidators salesperson known to the grand jury falsely represented to Julio E. and Rossana Tirado, prospective Universal Liquidators' brokers who attended a franchise/trade show in Dallas, Texas, that he was a successful Universal Liquidators' broker.

138. On or about September 16, 1996, the **NBOB**, at the direction of defendant **ALAN SHALL**, submitted a company information report to Rosanna Tirado which falsely indicated that there were no complaints on file with the **NBOB** regarding Universal Liquidators.

139. On or about October 18, 1996, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on a broker acceptance letter and a purchase agreement, approving the broker application made by the Tirados, and then mailed and caused the mailing of the letter and executed agreement to the Tirados in Bay City, Texas via the United States Mail.

Victim Orr

140. On or about September 18, 1996, defendant **WILLIAM KENNETH GARRETT** sent and caused the sending of a Universal Liquidators sales kit and other sales

materials from Fort Washington, Pennsylvania to defendants **LARRY DOBSON** and **MARSHA DOBSON** in care of the Holiday Inn in Grand Rapids, Michigan.

141. On or about September 24, 1996, defendant **MARSHA DOBSON** falsely represented to Shannon Orr, a prospective Universal Liquidators' broker who attended a franchise/trade show in Grand Rapids, Michigan, that she was a very successful Universal Liquidators' broker and that Orr too could be a successful Universal Liquidators' broker with a reasonable expectation of making two million dollars within five years.

142. On or about September 24, 1996, defendant **MARSHA DOBSON** falsely represented to Orr that Universal Liquidators would offer her the opportunity to broker the sale of brand-name merchandise, such as Sony televisions priced at \$35, big-screen Magnavox televisions for \$300, brand-name computers for \$100, and other merchandise at the prices referenced in Universal Liquidators brochures, being made available to Universal Liquidators from manufacturers from their surplus, liquidated, and closeout merchandise and overruns. Defendant **MARSHA DOBSON** falsely represented that Universal Liquidators also had lists of buyers in the wholesale and retail industry looking for this merchandise. Defendant **MARSHA DOBSON** falsely represented that, as a Universal Liquidators' broker, she would match up the seller with the buyer based on the information that Universal Liquidators would supply her so that could simply fax information regarding the available merchandise to one or more of the buyers and negotiate the sale of the merchandise between the seller and buyer.

143. On or about September 24, 1996, defendant **MARSHA DOBSON** falsely represented to Orr that the sellers making their merchandise available to Universal Liquidators and its brokers to be brokered had an overabundance of merchandise that they had paid Universal

Liquidators for their services and that buyers had also paid Universal Liquidators to be on their “buyer lists” to be able to acquire merchandise through Universal Liquidators.

144. On or about September 24, 1996, defendant **MARSHA DOBSON** falsely represented to Orr that the broker application fee of \$5,999 enabled her to gain access to Universal Liquidators’ Automated Marketplace on the internet of lists of sellers with available merchandise at well below wholesale prices, specifically, at 10 cents on the dollar, their contact telephone and fax numbers, and buyers willing to buy the merchandise through Universal Liquidators.

145. On or about September 24, 1996, defendant **MARSHA DOBSON** falsely represented to Orr that all she had to do as a Universal Liquidators’ broker was fax information regarding the purportedly available merchandise to the willing buyers.

146. On or about September 24, 1996, defendant **MARSHA DOBSON** falsely represented to Orr that the suppliers identified in Universal Liquidators’ directories and faxes of suppliers of available merchandise would accept a letter of intent from Universal Liquidators’ brokers to sell their merchandise and that they would put a hold on the sale of the merchandise while the broker attempted to sell the merchandise.

147. On or about September 24, 1996, defendant **MARSHA DOBSON** falsely represented to Orr that free samples of available merchandise, such as, electronic appliances, could be obtained from manufacturers and sellers.

148. On or about September 24, 1996, defendant **MARSHA DOBSON** falsely represented to Orr that Universal Liquidators would only be accepting six brokers from the area of Grand Rapids, Michigan.

149. On or about September 24, 1996, at the direction of defendant **ALAN SCHALL**, the **NBOB** submitted a company information report to Orr which falsely indicated that there had been only one complaint reported to the **NBOB** regarding Universal Liquidators.

150. On or about September 24, 1996, defendant **KAREN BEAM** falsely represented to Orr that she had been a Universal Liquidators' broker for approximately six months.

151. On or about September 24, 1996, defendant **BERTRAND DURHAM** falsely represented to Orr that he had been a Universal Liquidators' broker for approximately one year and that Universal Liquidators provides everything they promised. Defendant **BERTRAND DURHAM** falsely represented that Universal Liquidators' broker relations department provided telephone advice. He added that Orr could expect to recover her broker application investment within seven months if she worked between six and ten hours a week.

152. On or about September 26, 1996, defendant **MARSHA DOBSON** forwarded a check in the amount of \$1,200 and a business opportunity purchase agreement, representing Orr's down payment and broker application, from Grand Rapids, Michigan to Universal Liquidators' office in Fort Washington, Pennsylvania via Federal Express.

153. On or about September 30, 1996, at the direction of defendant **WILLIAM KENNETH GARRETT**, a broker kit and training materials were sent from Universal Liquidators office in Fort Washington, Pennsylvania to Orr in Grandville, Michigan via Federal Express with instructions to Federal Express to collect on delivery the cash payment of the balance of Orr's broker fee and forward it to Universal Liquidator's office in Fort Washington, Pennsylvania.

Victims Lerz and Lerz

154. On or about September 24, 1996, defendant **MARSHA DOBSON** falsely represented to Noreen and Eric Lerz, potential Universal Liquidators' brokers who attended a small business opportunities show in Grand Rapids, Michigan, that Universal Liquidators provided its brokers with the opportunity to connect sellers of surplus merchandise with potential buyers.

155. On or about September 24, 1996, defendant **MARSHA DOBSON** falsely represented to the Lerzs that she was a Universal Liquidators' broker and would make herself available to them to offer her assistance in putting deals together after they were approved to become Universal Liquidators' brokers. Defendant **MARSHA DOBSON** also falsely represented that she did not receive a commission from broker application fees and would not receive any compensation from their purchase of a Universal Liquidators' broker opportunity.

156. On or about September 26, 1996, defendant **MARSHA DOBSON** forwarded a check in the amount of \$1,200 and a business opportunity purchase agreement, representing Lerz's down payment and broker application, from Grand Rapids, Michigan to Universal Liquidators' office in Fort Washington, Pennsylvania via Federal Express.

Victim Sobell

157. On or about October 15, 1996, defendant **WILLIAM KENNETH GARRETT** falsely represented to James John Sobell, a prospective Universal Liquidators' broker who attended a franchise/trade show in Santa Barbara, California, that Universal Liquidators was offering an opportunity to become a broker for Universal Liquidators and to broker all kinds of products being made available to Universal Liquidators at pennies on the

dollar. Defendant **WILLIAM KENNETH GARRETT** falsely represented that Sobell would not have to use any of his own money in the process of brokering the merchandise.

158. On or about October 15, 1996, defendant **WILLIAM KENNETH GARRETT** falsely represented that Universal Liquidators was trying to get a total of 400 brokers nationwide and would stop accepting applications for new brokers. Defendant **WILLIAM KENNETH GARRETT** also stated that once Universal Liquidators reached the 400 broker level, the company would devote all its effort to help the brokers broker the sale of merchandise.

Victims Emberson, Tubbeh and Gonzalez

159. On or about February 17, 1997, defendant **DAWNELL GRIFFITH** falsely represented to Shirley Emberson, Shirley Tubbeh and Carmen Gonzalez, together doing business as Resource One and prospective Universal Liquidators' brokers who attended a franchise/trade show in Albuquerque, New Mexico, that Universal Liquidators put up a half-million dollar option on abundant first-quality merchandise that is exclusive to Universal Liquidators only.

160. On or about February 17, 1997, defendant **DAWNELL GRIFFITH** falsely represented to Emberson, Tubbeh and Gonzalez that Universal Liquidators' brokers were provided with a confidential Blue Source Directory and Yellow Fax Directory containing lists of buyers and sellers and a weekly updated marketplace list of merchandise made exclusively available to the brokers.

161. On or about February 17, 1997, defendant **DAWNELL GRIFFITH** falsely represented to Emberson, Tubbeh and Gonzalez that buyers and sellers paid Universal Liquidators to be put on their marketplace list and in the Blue Source Directory and Yellow Fax Directories.

162. On or about February 17, 1997, defendant **DAWNELL GRIFFITH** falsely represented to Emberson, Tubbeh and Gonzalez that they could also receive last minute information regarding available merchandise and other information through an 800 telephone number maintained by Universal Liquidators.

163. On or about February 17, 1997, defendant **DAWNELL GRIFFITH** falsely represented to Emberson, Tubbeh and Gonzalez that Universal Liquidators would assist them in negotiating their first deals with buyers and sellers.

164. On or about February 28, 1997, defendant **WILLIAM KENNETH GARRETT** deposited and caused to be deposited a check in the amount of \$5,990, representing Emberson, Tubbeh and Gonzalez's total payment for a Universal Liquidator's brokerage opportunity, including broker kit and services, into Universal Liquidators' PNC Bank account.

Victim M'Danat

165. On or about February 19, 1997, defendant **DAWNELL GRIFFITH** falsely represented to Bravo M'Danat, a prospective Universal Liquidators' broker at a franchise/trade show in Albuquerque, New Mexico, that Universal Liquidators put up a half-million dollar option on abundant first-quality merchandise that is exclusively available to Universal Liquidators and its brokers.

166. On or about February 19, 1997, defendant **DAWNELL GRIFFITH** falsely represented to M'Danat that Universal Liquidators' brokers were provided with a confidential Blue Source Directory and Yellow Fax Directory containing lists of buyers and sellers and a weekly updated marketplace list of merchandise made exclusively available to the brokers.

167. On or about February 19, 1997, defendant **DAWNELL GRIFFITH** falsely represented to M'Danat that buyers and sellers paid Universal Liquidators to be put on their marketplace list and in the Blue Source Directory and Yellow Fax Directories.

168. On or about February 19, 1997, defendant **DAWNELL GRIFFITH** falsely represented to M'Danat that Universal Liquidators' broker relations department would provide training and assist M'Danat in negotiating his first deals with sellers and buyers of available merchandise.

169. On or about February 19, 1997, defendant **DAWNELL GRIFFITH** forwarded a check in the amount of \$1,200 and a business opportunity purchase agreement, representing M'Danat's down payment and broker application, from Albuquerque, New Mexico to Universal Liquidators' office in Fort Washington, Pennsylvania via Federal Express.

170. On or about February 20, 1997, defendant **WILLIAM KENNETH GARRETT** deposited and caused to be deposited a check in the amount of \$1,200, representing M'Danat's down payment for a Universal Liquidator's brokerage opportunity, into Universal Liquidators' PNC Bank account.

171. On or about February 20, 1997, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on a business opportunity purchase agreement, approving the broker application made by M'Danat, and then mailed and caused the mailing of the executed agreement to M'Danat in Albuquerque, New Mexico.

172. On or about February 27, 1997, defendant **WILLIAM KENNETH GARRETT** deposited and caused to be deposited a check in the amount of \$4,590, representing

the remainder of M'Danat's payment for a Universal Liquidators' broker kit and services, into Universal Liquidators' PNC Bank account.

Victim Butler

173. On or about May 7, 1997, defendants **MARSHA DOBSON** and **LARRY DOBSON** falsely represented to Lora Lee Butler, a prospective Universal Liquidators' broker who attended a franchise/trade show in Little Rock, Arkansas, that Universal Liquidators offered its brokers the opportunity to broker the sale of merchandise made available to Universal Liquidators by brand-name manufacturers to buyers who pay Universal Liquidators to be on a list because they want Universal Liquidators to find merchandise for them.

174. On or about May 7, 1997, defendant **BERTRAND DURHAM** falsely represented to Lora Lee Butler, a prospective Universal Liquidators' broker, that he had been a broker with Universal Liquidators for one and a half years, worked the surplus broker program part-time and had easily earned back his initial investment into Universal Liquidators' program.

175. On or about May 7, 1997, defendant **KAREN BEAM** falsely represented to Butler that she had been a broker with Universal Liquidators for two years and was successful. Defendant **BEAM** falsely represented that she had earned back her initial investment into Universal Liquidators' program. She also highly recommended the program.

176. On or about May 7, 1997, the **NBOB**, at the direction of defendant **ALAN SHALL**, submitted a company information report to Butler which falsely indicated that there were no complaints on file with the **NBOB** regarding Universal Liquidators.

177. On or about May 9, 1997, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on a broker acceptance letter and a business

opportunity purchase agreement, approving the broker application made by Butler, and then mailed and caused the mailing of the letter and executed agreement to Butler in Little Rock, Arkansas.

Victim Delos-Santos

178. On or about July 1, 1997, defendant **THOMAS MASSARA** falsely represented to Zona O. Delos-Santos, a prospective Universal Liquidators broker who attended a franchise/trade show Honolulu, Hawaii, that Universal Liquidators provided its brokers with new proprietary information regarding brand-name merchandise, complete training and on-going service and support to assist brokers in negotiating and closing deals with buyers and sellers. Defendant **THOMAS MASSARA** falsely represented that Universal Liquidators' brokers could obtain free samples from sellers. Defendant **THOMAS MASSARA** also falsely represented that Universal Liquidators' brokers were provided with custom updated buyers lists and weekly updates to the lists.

179. On or about July 8, 1997, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on a business opportunity purchase agreement, approving the broker application of Delos-Santos, and then mailed and caused the executed agreement to be mailed to Delos-Santos.

180. On or about August 5, 1998, at the direction of defendant **ALAN SHALL**, the **NBOB** notified defendant **WILLIAM KENNETH GARRETT** of a complaint filed against Universal Liquidators by Delos-Santos and provided defendant **GARRETT** the opportunity not to have the complaint appear on Universal Liquidators' Company Information Report.

181. On or about September 1, 1998, at the direction of defendant **ALAN SHALL**, the **NBOB** again notified defendant **WILLIAM KENNETH GARRETT** of the complaints filed against Universal Liquidators by Delos-Santos. The **NBOB** provided defendant **WILLIAM KENNETH GARRETT** until close of business to respond to the complaints to avoid any derogatory information being reported to interested parties contacting the **NBOB**.

Victim Connor

182. On or about November 4, 1997, defendant **DAWNELL GRIFFITH** falsely represented to H.L. (Bud) Connor, Jr., a prospective Universal Liquidators' broker who attended a franchise/trade show in Chesapeake, Virginia, that Universal Liquidators offered brokers the opportunity to broker excess inventory from manufacturers, liquidators and brokers for as little as 10 cents on the dollar.

183. On or about November 7, 1997, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on a business opportunity purchase agreement, approving the broker application made by Connor, and then mailed and caused the mailing of the executed agreement to Connor in Barco, North Carolina.

184. On or about November 6, 1997, defendant **WILLIAM KENNETH GARRETT** deposited and caused the deposit of a check in the amount of \$1,200, representing Connor's down payment for a Universal Liquidators' broker opportunity, into Universal Liquidator's PNC Bank account.

185. On or about November 12, 1997, defendant **WILLIAM KENNETH GARRETT** deposited and caused to be deposited a check in the amount of \$4,590, representing

the remainder of Connor's payment for a Universal Liquidators' broker kit and services, into Universal Liquidators' PNC Bank account.

186. On or about July 21, 1998, at the direction of defendant **ALAN SHALL**, the **NBOB** notified defendant **WILLIAM KENNETH GARRETT** of a complaint filed against Universal Liquidators by Connor and provided defendant **GARRETT** the opportunity not to have the complaint appear on Universal Liquidators' Company Information Report.

187. On or about September 1, 1998, at the direction of defendant **ALAN SHALL**, the **NBOB** again notified defendant **WILLIAM KENNETH GARRETT** of the complaint filed against Universal Liquidators by Connor. The **NBOB** provided defendant **WILLIAM KENNETH GARRETT** until close of business to respond to the complaints to avoid any derogatory information being reported to interested parties contacting the **NBOB**.

188. On or about September 2, 1998, defendant **WILLIAM KENNETH GARRETT** transmitted a letter via facsimile to the **NBOB** denying the allegations set forth in the complaint made by Connor. Defendant **WILLIAM KENNETH GARRETT** falsely represented that Universal Liquidators had never been accused of false advertising.

Victim Sassic

189. On or about April 21, 1998, defendants **LARRY DOBSON** and **MARSHA DOBSON** falsely represented to Janet Sassic, a prospective Universal Liquidators' broker who attended a franchise/trade show in Chantilly, Virginia, that Universal Liquidators' business opportunity involved nothing more than bringing sellers of the supplied listings of available merchandise together with the also supplied listings of willing buyers for the merchandise. Defendants **LARRY DOBSON** and **MARSHA DOBSON** falsely represented to

Sassic that there were thousands of both sellers and buyers who had paid Universal Liquidators to be a part of its system of brokering the sale of merchandise. The defendants also falsely represented that the buyers were all pre-qualified and approved by Universal Liquidators, therefore, Sassic would not be involved in locating merchandise to sell or buyers willing to buy merchandise.

190. On or about April 21, 1998, defendants **LARRY DOBSON** and **MARSHA DOBSON** falsely represented to Sassic that the Universal Liquidators program involved simply looking for products and willing buyers. The defendants also represented that the sellers making their merchandise available to Universal Liquidators would allow her to place a hold on the sale of merchandise for three to five days while she attempted to locate a buyer and that the buyers looking for the merchandise being offered would execute letters of intent to purchase the merchandise.

191. On or about April 24, 1998, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on a business opportunity purchase agreement, approving the broker application made by Sassic, and then mailed and caused the mailing of the executed agreement to Ashburn, Virginia.

192. On or about April 24, 1998, defendant **WILLIAM KENNETH GARRETT** deposited and caused the deposit of a check in the amount of \$1,000, representing Sassic's down payment for a Universal Liquidators' broker opportunity, into Universal Liquidator's PNC Bank account.

193. On or about April 24, 1998, at the direction of defendant **WILLIAM KENNETH GARRETT**, a broker kit and training materials were sent from Universal

Liquidators office in Fort Washington, Pennsylvania to Sassic in Ashburn, Virginia via Federal Express with instructions to Federal Express to collect on delivery the cash payment of the balance of Sassic's broker fee and forward it to Universal Liquidator's office in Fort Washington, Pennsylvania.

194. On or about April 30, 1998, defendant **WILLIAM KENNETH GARRETT** deposited and caused the deposit of a check in the amount of \$4,990, representing the remainder of Sassic's payment for a Universal Liquidators' broker kit and services, into Universal Liquidators' PNC Bank account.

Victim Hallmon

195. On or about June 4, 1998, defendant **WILLIAM KENNETH GARRETT** deposited and caused the deposit of a check in the amount of \$1,158, representing Lawrence Hallmon's down payment for a Universal Liquidators' broker opportunity, into Universal Liquidator's PNC Bank account.

196. On or about June 11, 1998, defendant **WILLIAM KENNETH GARRETT** deposited and caused the deposit of a check in the amount of \$4,632, representing the remainder of Hallmon's payment for a Universal Liquidators' broker kit and services, into Universal Liquidators' PNC Bank account.

Victims DiLeo and Beltz

197. On or about June 18, 1998, defendant **THOMAS MASSARA** falsely represented to Raymond S. DiLeo and Donna Beltz, prospective Universal Liquidators' brokers, that Universal Liquidators' experienced liquidating agents would provide on-going support and advice to its brokers to ensure their success in brokering merchandise.

198. On or about June 22, 1998, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on a business opportunity purchase agreement, approving the broker application made by DiLeo and Beltz, and then mailed and caused the mailing of the executed agreement to DiLeo and Beltz in Allentown, Pennsylvania.

199. On or about June 22, 1998, at the direction of defendant **WILLIAM KENNETH GARRETT**, a broker kit and training materials were sent from Universal Liquidators office in Fort Washington, Pennsylvania to DiLeo and Beltz in Allentown, Pennsylvania via Federal Express with instructions to Federal Express to collect on delivery cash payment of the balance of DiLeo and Beltz's broker fee and forward it to Universal Liquidator's office in Fort Washington, Pennsylvania.

200. On or about June 25, 1998, defendant **WILLIAM KENNETH GARRETT** deposited and caused to be deposited a check in the amount of \$4,790, representing the remainder of DiLeo's payment for a Universal Liquidators' broker kit and services, into Universal Liquidators' PNC Bank account.

Victim Mercera

201. On or about June 26, 1998, defendant **WILLIAM KENNETH GARRETT** sent and caused the sending of a Universal Liquidators sales kit from Fort Washington, Pennsylvania to defendant **THOMAS MASSARA**, in care of the Marriott Suites, in Las Vegas, Nevada.

202. On or about July 2, 1998, defendant **THOMAS MASSARA** falsely represented to Franklin Mercera, a prospective Universal Liquidators' broker who attended a

franchise/trade show in Las Vegas, Nevada, that Universal Liquidators' broker relations department would provide him all of the assistance he would need to start the business and provide him with the instructions he would need to work the program.

203. On or about July 2, 1998, defendant **THOMAS MASSARA** accepted a check from Mercera in the amount of \$1,200, representing Mercera's down payment to become a Universal Liquidators' broker and sent the check via Federal Express from Las Vegas, Nevada to defendant **WILLIAM KENNETH GARRETT**, in care of Universal Liquidators, in Fort Washington, Pennsylvania.

204. On or about July 7, 1998, defendant **WILLIAM KENNETH GARRETT** deposited and caused the deposit of a check in the amount of \$1,200, representing Mercera's down payment for a Universal Liquidators' broker opportunity, into Universal Liquidator's PNC Bank account.

205. On or about July 10, 1998, defendant **WILLIAM KENNETH GARRETT** sent and caused to be sent a broker kit and training materials from Universal Liquidators office in Fort Washington, Pennsylvania to Mercera in Las Vegas, Nevada via Federal Express with instructions to Federal Express to collect on delivery cash payment of the balance of Mercera's broker fee and forward it to Universal Liquidator's office in Fort Washington, Pennsylvania.

206. On or about July 13, 1998, defendant **WILLIAM KENNETH GARRETT** sent and caused to be sent a "Hidden Wealth" kit to Mercera via Federal Express.

207. On or about July 14, 1998, defendant **WILLIAM KENNETH GARRETT** deposited and caused to be deposited a check in the amount of \$4,790, representing the remainder

of Mercera's payment for a Universal Liquidators' broker kit and services, into Universal Liquidators' PNC Bank account.

Victim Rosas

208. On or about July 13, 1998, defendant **DAWNELL GRIFFITH** falsely represented to Carlos Rosas, a prospective Universal Liquidators' broker who had met defendant **DAWNELL GRIFFITH** at a franchise/trade show in Boston, Massachusetts, that Universal Liquidators' surplus broker program would enable him to buy brand-name electronics, clothing, household items, industrial and commercial goods through Universal Liquidators' Automated Marketplace at cents on the normal retail dollar directly from manufacturers' overruns and surplus or liquidated merchandise from companies going out of business.

209. On or about July 13, 1998, defendant **DAWNELL GRIFFITH** transmitted a message to Rosas, still a prospective broker, via facsimile in which she represented that Universal Liquidators' brokers could obtain Levi's jeans in new condition for \$1.85 and Mercedes Benz automobiles for \$20,337.

210. On or about July 13, 1998, defendant **DAWNELL GRIFFITH** forwarded a broker application and other documents pertaining to Universal Liquidators to Rosas via Federal Express.

211. On or about July 16, 1998, defendant **WILLIAM KENNETH GARRETT** deposited and caused to be deposited a check in the amount of \$1,200, representing Rosas' down payment for a Universal Liquidators' broker opportunity, into Universal Liquidator's PNC Bank account.

212. On or about July 17, 1998, defendants **WILLIAM KENNETH GARRETT** and **DAWNELL GRIFFITH** sent and caused to be sent a broker kit and training materials from Universal Liquidators office in Fort Washington, Pennsylvania to Rosas in East Boston, Massachusetts via Federal Express with instructions to Federal Express to collect on delivery cash payment of the balance of Rosas' broker fee and forward it to Universal Liquidators' office in Fort Washington, Pennsylvania.

213. On or about July 20, 1998, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on a broker acceptance letter and business opportunity purchase agreement, approving the broker application made by Rosas, and then mailed and caused the mailing of the letter and executed agreement to Rosas in East Boston, Massachusetts.

214. On or about July 23, 1998, defendant **WILLIAM KENNETH GARRETT** deposited and caused to be deposited a check in the amount of \$4,790, representing the remainder of Rosas' payment for a Universal Liquidators' broker kit and services, into Universal Liquidators' PNC Bank account.

Victim Anderson

215. On or about July 21, 1998, defendant **DAWNELL GRIFFITH** falsely represented to Jeannine Anderson, a prospective Universal Liquidators' broker who attended a franchise/trade show presentation in Arizona that Universal Liquidators offered its brokers the opportunity to broker merchandise being made available by manufacturers who were clients of Universal Liquidators.

216. On or about August 4, 1998, defendant **WILLIAM KENNETH**

GARRETT falsely represented and aided and abetted and willfully caused the making of false representations to Anderson, when she visited Universal Liquidators' Fort Washington, Pennsylvania offices, that the merchandise that was being offered to brokers was being made available by manufacturers who were clients of Universal Liquidators.

217. On or about August 4, 1998, defendant **WILLIAM KENNETH GARRETT** deposited and caused to be deposited a check in the amount of \$1,158, representing Anderson's down payment for a Universal Liquidators' broker opportunity, into Universal Liquidator's PNC Bank account.

218. On or about August 19, 1998, defendant **WILLIAM KENNETH GARRETT** deposited and caused to be deposited a check in the amount of \$4,632, representing the remainder of Anderson's payment for a Universal Liquidators' broker kit and services, into Universal Liquidators' PNC Bank account.

219. On or about August 27, 1998, defendant **WILLIAM KENNETH GARRETT** sent and caused to be sent a broker kit and training materials from Universal Liquidators office in Fort Washington, Pennsylvania to Anderson in Phoenix, Arizona via Federal Express.

Victims Phillips and Phillips

220. On or about September 1, 1998, defendant **WILLIAM KENNETH GARRETT** falsely represented to Christina and Nancy Phillips, prospective Universal Liquidators' brokers who contacted the defendant after they attended a franchise/trade show in Portland, Oregon, that Universal Liquidators offered its brokers new brand-name merchandise at ten cents on the dollar. Defendant **WILLIAM KENNETH GARRETT** also falsely represented

to the Phillips that they could receive a refund if they were not satisfied with the business opportunity offered by Universal Liquidators.

221. On or about September 3, 1998, defendant **WILLIAM KENNETH GARRETT** signed the name of defendant **FRANCIS GERMAN** on a broker acceptance letter and business opportunity purchase agreement, approving the application made by Nancy Phillips, and then mailed and caused the mailing of the letter and executed agreement to Phillips in Oregon City, Oregon.

222. On or about September 28, 1998, defendant **WILLIAM KENNETH GARRETT** deposited and caused to be deposited a check in the amount of \$4,792, representing the remainder of the Phillips' payment for a Universal Liquidators' broker kit and services, into Universal Liquidators' PNC Bank account.

All in violation of Title 18, United States Code, Section 371.

COUNTS TWO THROUGH FOURTEEN

(Mail Fraud)

THE GRAND JURY FURTHER CHARGES THAT:

1. The allegations contained in paragraphs 1 through 10 and 12 through 40 of Count One of this Indictment are realleged here.

2. From at least January 1995 and continuing until at least February 1999, in the Eastern District of Pennsylvania, and elsewhere, defendant

WILLIAM KENNETH GARRETT

devised and intended to devise a scheme to defraud Universal Liquidators' brokers and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

It was part of the scheme that:

3. Defendant **WILLIAM KENNETH GARRETT** created false representations about Universal Liquidators, then sent and caused to be sent sales kits and sales supplies to salespersons for the use at franchise/trade shows to promote Universal Liquidators, and sent and caused to be sent broker kits and other materials to broker victims to induce broker victims to each pay a total of either \$4,999 or \$5,999 to become Universal Liquidators' brokers.

4. On or about the dates set forth below for each count, in the Eastern District of Pennsylvania and elsewhere, having devised and intending to devise the scheme, defendant

WILLIAM KENNETH GARRETT

for the purpose of executing this scheme and attempting to do so, deposited and caused to be deposited packages to be sent and delivered by Federal Express, a commercial interstate carrier, according to the directions on the packages as follows:

| <u>Count</u> | <u>Date</u> | <u>Description</u> |
|---------------------|--------------------|---|
| 2 | 3/3/98 | Broker kit, shipped from Universal Liquidators, 270 Commerce Dr., Ste 2, Fort Washington, PA 19034-2405 US, to Cornell Armbrister, Deltec Pan America Trust Co., Lyfordkcay Rd., Nassau, Bahamas |
| 3 | 6/4/98 | Broker kit, shipped C.O.D. from Universal Liquidators, 270 Commerce Dr., Ste. 2, Fort Washington, PA 19034-2405, to Lawrence Hallmon, LRH Enterprises, 1811 Coachman Cove, Snellville, GA 30078-5601 |
| 4 | 6/15/98 | Sales kit and banner, shipped from Universal Liquidators, 270 Commerce Dr., Ste. 2, Fort Washington, PA 19034-2405, to Marsha & Larry Dobson (Guests), Courtyard by Marriott-German, 7750 Wolf River Blvd., Germantown, TN 38138-1702 |
| 5 | 6/18/98 | Broker kit, shipped from Universal Liquidators, 270 Commerce Dr., Ste. 2, Fort Washington, PA 19034-2405, to Robert Scarborough, 4059 Bittersweet Drive, Roswell, Georgia 30075-2642 |
| 6 | 6/23/98 | Sales kit, shipped from Universal Liquidators, 270 Commerce Dr., Ste. 2, Fort Washington, PA 19034-2405, to Thomas Massara (Guest), Marriott Suites, 325 Convention Center Drive, Las Vegas, NV 89109-2067 |
| 7 | 7/2/98 | Sales kit, shipped from Universal Liquidators, 270 Commerce Dr., Ste. 2, Fort Washington, PA 19034-2405, to Marsha & Larry Dobson (Guests), Blue Ash Hotel & Conference Ct., 5901 Pfeiffer Rd., Cincinnati, OH 45242-4821 |

| | | |
|----|---------|---|
| 8 | 7/21/98 | Sales kit, shipped from Universal Liquidators, 270 Commerce Dr., Ste 2, Fort Washington, PA 19034-2405, to Thomas Massara (Guest), Comfort Suites, 102 E. Herndon Ave., Fresno, California 93720-2914 |
| 9 | 8/5/98 | Sales kit, shipped from Universal Liquidators, Universal Liquidators, 270 Commerce Dr., Ste. 2, Fort Washington, PA 19034-2405, to Dawnell Griffith (Guest), Holiday Inn Select - St. Peter, 4221 S. Oyster Rd., St. Peters, Missouri 63376 |
| 10 | 8/12/98 | Sales kit, shipped from Universal Liquidators, 270 Commerce Dr., Ste. 2, Fort Washington, PA 19034-2405, to Dawnell Griffith (Guest), Holiday Inn Select - N.O. Airport, 2929 Williams Blvd., Kenner, LA 70062-5434 |
| 11 | 8/13/98 | Broker kit, shipped C.O.D. from Universal Liquidators, Universal Liquidators, 270 Commerce Dr., Ste. 2, Fort Washington, PA 19034-2405, to Loretta Woodward, 20304 Pike 137, Louisiana, Missouri |
| 12 | 8/27/98 | Sales kit and booth, shipped from Universal Liquidators, 270 Commerce Dr., Ste. 2, Fort Washington, PA 19034-2405, to Dawnell Griffith (Guest), Holiday Inn City Center, 1020 S. Figueroa St., Los Angeles, CA 90015-1392 |
| 13 | 8/27/98 | Sales kit, shipped from Universal Liquidators, 270 Commerce Dr., Ste. 2, Fort Washington, PA 19034-2405, to Leonard Barnett (Guest), Doubletree Hotel Jantzen Beach, 909 N. Hayden Dr., Portland, OR 97217 |

| | | |
|----|---------|---|
| 14 | 9/23/98 | Broker kit, shipped C.O.D. from Universal Liquidators, 270 Commerce Dr., Ste. 2, Fort Washington, PA 19034-2405, to Nancy Phillips, 15106 S. Woodglen Way, Oregon City, OR 97045-9087 |
|----|---------|---|

All in violation of Title 18, United States Code, Sections 1341 and 2.

COUNTS FIFTEEN THROUGH TWENTY-ONE

(Mail Fraud)

THE GRAND JURY FURTHER CHARGES THAT:

1. The allegations contained in paragraphs 1 through 10 and 12 through 40 of Count One of this Indictment are realleged here.

2. From at least February 1995 and continuing until at least February 1999, in the Eastern District of Pennsylvania, and elsewhere, defendant

THOMAS MASSARA

devised and intended to devise a scheme to defraud Universal Liquidators' brokers and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

It was part of the scheme that:

3. Defendant **THOMAS MASSARA** created false representations about Universal Liquidators, then sent and caused to be sent sales materials to himself at hotels located near franchise/trade show venues for his use at the franchise/trade shows to promote Universal Liquidators, and sent and caused to be sent broker kits and other materials to broker victims to induce them to each pay a total of approximately either \$4,999 or \$5,999 to become Universal Liquidators' brokers.

4. Defendant **THOMAS MASSARA** made false representations to prospective Universal Liquidators' brokers at franchise/trade shows then sent and caused to be sent down payments and business opportunity purchase agreements from the location of the franchise/trade show presentation to Universal Liquidators' office in Fort Washington, Pennsylvania and to his home address at 337 N. 5th Street, Conshohocken, Pennsylvania.

5. On or about the dates set forth below, in the Eastern District of Pennsylvania, and elsewhere,

THOMAS MASSARA

for the purpose of executing this scheme and attempting to do so, deposited and caused to be deposited packages to be sent and delivered by Federal Express, a commercial interstate carrier, according to the directions on the packages as follows:

| <u>Count</u> | <u>Date</u> | <u>Description</u> |
|--------------|-------------|--|
| 15 | 6/26/98 | A Federal Express package, shipped from 19428 zip code, from Thomas A. Massara, Universal Liquidators, 270 Commerce Dr., Ste. 2, Fort Washington, PA 19034-2405, to Thomas Massara (Guest), Marriott Suites, 325 Convention Center Dr., Las Vegas, NV 89109-2067 |
| 16 | 7/2/98 | A Federal Express package, shipped from Thomas Massara, Universal Liquidators-Marriott, 325 Convention Ctr. Dr., Las Vegas, NV 89109-2067 to Ken Garrett, Universal Liquidators, 270 Commerce Dr., Fort Washington, PA 19034-2405 |
| 17 | 7/2/98 | A Federal Express package, shipped from Thomas Massara, Marriott Suites, 325 Convention Cent. Dr., Las Vegas, NV 89109-2067, to Thomas Massara Guest, Holiday Inn & Suites Universal, 3400 Shelby St., Ontario, CA 91764-4873 |
| 18 | 7/8/98 | A Federal Express package, shipped from 91764 zip code (Ontario, CA), from Thomas Massara, Universal Liquidators, 270 Commerce Dr., Ste. 2, Fort Washington, PA 19034-2405, to Thomas Massara, Quality Suites, 1430 7th Ave., San Diego, CA 92101-3220 |

- | | | |
|----|---------|--|
| 19 | 7/15/98 | A Federal Express package, shipped from 92101 zip code (San Diego, CA), from Thomas Massara, Universal Liquidators, 270 Commerce Dr., Ste. 2, Fort Washington, PA 19034-2405, to Thomas Massara, Peacock Suites Guest, 1745 S. Anaheim Blvd., Anaheim, CA 92805-6518 |
| 20 | 7/23/98 | A Federal Express package, shipped from 92805 zip code (Anaheim, CA), from Thomas Massara, Universal Liquidators, 270 Commerce Dr., Ste. 2, Fort Washington, PA 19034-2405, to Thomas Massara, Comfort Suites Guest, 102 E. Herndon Ave., Fresno, CA 93720-2914 |
| 21 | 7/29/98 | A Federal Express package sent from Thomas Massara, Universal Liquidators Confort, 102 E. Herndon Ave., Fresno, CA 93720-2914, to Thomas Massara, Universal Liquidators, 337 N. 5th Ave., Conshohocken, PA 19428-1612 |

All in violation of Title 18, United States Code, Sections 1341 and 2.

COUNTS TWENTY-TWO THROUGH TWENTY-FOUR

(Mail Fraud)

THE GRAND JURY FURTHER CHARGES THAT:

1. The allegations contained in paragraphs 1 through 10 and 12 through 40 of Count One of this Indictment are realleged here.

2. From at least June 1995 and continuing until at least January 1999, in the Eastern District of Pennsylvania, and elsewhere, defendant

DAWNELL GRIFFITH

devised and intended to devise a scheme to defraud Universal Liquidators' brokers and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

3. Defendant **DAWNELL GRIFFITH** made false representations to prospective Universal Liquidators' brokers at franchise/trade shows to induce them to each pay a total of approximately either \$4,999 and \$5,999 to become Universal Liquidators' brokers.

4. Defendant **DAWNELL GRIFFITH** sent and caused to be sent broker applications and business opportunity purchase agreements to prospective brokers.

5. Defendant **DAWNELL GRIFFITH** sent and caused to be sent broker applications and business opportunity purchase agreements from the location of the presentation back to Universal Liquidators' office in Fort Washington, Pennsylvania following franchise/trade show presentations. This was done for the purpose of their use at future franchise/trade show presentations.

6. On or about the dates set forth below, in the Eastern District of Pennsylvania, and elsewhere, defendant

DAWNELL GRIFFITH

for the purpose of executing this scheme and attempting to do so, deposited and caused to be deposited packages to be sent and delivered by Federal Express, a commercial interstate carrier, according to the directions on the packages as follows:

| <u>Count</u> | <u>Date</u> | <u>Description</u> |
|--------------|-------------|---|
| 22 | 7/13/98 | A Federal Express package, shipped from 35611 zip code (Athens, Alabama), from Dawnell Griffith, Universal Liquidators, 270 Commerce Dr., Ste 2, Fort Washington, PA 19034-2405, to Carlos Rosas, 54 Bennington St., East Boston, MA 02128-1704 |
| 23 | 8/19/98 | A Federal Express package, shipped from Federal Express Region 2, from Dawnell Griffith, Holiday Inn Airport, 2929 Williams Blvd., Kenner, LA 70062-5491, to Ken Garrett, Universal Liquidators, 270 Commerce Drive, Fort Washington, PA 19034-2405 |
| 24 | 9/2/98 | A Federal Express package, shipped from 90045 zip code (Los Angeles, California), from Dawnell Griffith, Universal Liquidators, 270 Commerce Drive, Fort Washington, PA 19034-2405, to Ken Garrett, Universal Liquidators, 270 Commerce Drive, Fort Washington, PA 19034-2405 |

All in violation of Title 18, United States Code, Sections 1341 and 2.

COUNT TWENTY-FIVE THROUGH TWENTY-SEVEN

(Mail Fraud)

THE GRAND JURY FURTHER CHARGES THAT:

1. The allegations contained in paragraphs 1 through 10 and 12 through 40 of Count One of this Indictment are realleged here.

2. From at least February 1995 and continuing until at least August 1998, in the Eastern District of Pennsylvania, and elsewhere, defendant

LARRY DOBSON

devised and intended to devise a scheme to defraud and to obtain money by means of false and fraudulent pretenses, representations and promises.

It was part of the scheme that:

3. Defendant **LARRY DOBSON** made false representations to prospective Universal Liquidators' brokers at franchise/trade shows to induce them to each pay a total of either \$4,999 or \$5,999 to become Universal Liquidators' brokers.

4. Defendant **LARRY DOBSON** sent and caused to be sent broker applications, business opportunity purchase agreements and other Universal Liquidators materials to prospective brokers following franchise/trade show presentations.

5. Defendant **LARRY DOBSON** mailed and sent, and caused the sending and sending of broker applications, business opportunity purchase agreements and sales materials from the location of the presentation back to Universal Liquidators' office in Fort Washington, Pennsylvania following franchise/trade show presentations. This was done for the purpose of their use at future franchise/trade show presentations.

6. On or about the dates set forth below, in the Eastern District of Pennsylvania, and elsewhere,

LARRY DOBSON

for the purpose of executing this scheme and attempting to do so, deposited and caused to be deposited packages to be sent and delivered by Federal Express, a commercial interstate carrier, according to the directions on the packages as follows:

| <u>Count</u> | <u>Date</u> | <u>Description</u> |
|--------------|-------------|---|
| 25 | 6/9/98 | A Federal Express package, shipped from 37932 zip code (Knoxville, TN), from Larry Dobson, Universal Liquidators, 270 Commerce Dr., Ste. 2, Fort Washington, PA 19034-2405, to Rafael Enriquez, 381 Harbor Point, Belleville, MI 48111-4445 |
| 26 | 8/7/98 | A Federal Express package, shipped from 37932 zip code (Knoxville, TN), from Larry Dobson, Universal Liquidators, 270 Commerce Dr., Ste. 2, Fort Washington, PA 19034-2405, to Daniel Hall, 102 Austin town, OH 44515-2603 |
| 27 | 8/26/98 | A Federal Express package containing a banner, shipped from 37932 zip code (Knoxville, TN), from Larry Dobson, 207 Doeskin Valley Rd., Sweetwater, TN 37874-6639 |

All in violation of Title 18, United States Code, Sections 1341 and 2.

COUNT TWENTY-EIGHT THROUGH THIRTY

(Mail Fraud)

THE GRAND JURY FURTHER CHARGES THAT:

1. The allegations contained in paragraphs 1 through 10 and 12 through 40 of Count One of this Indictment are realleged here.

2. From at least February 1995, and continuing until at least August 1998, in the Eastern District of Pennsylvania, and elsewhere, defendant

MARSHA DOBSON

devised and intended to devise a scheme to defraud and to obtain money by means of false and fraudulent pretenses, representations and promises.

It was part of the scheme that:

3. Defendant **MARSHA DOBSON** made false representations to prospective Universal Liquidators' brokers at franchise/trade shows to induce them to each pay a total of either \$4,999 or \$5,999 to become Universal Liquidators' brokers.

4. Defendant **MARSHA DOBSON** sent and caused to be sent broker applications and business opportunity purchase agreements following franchise/trade show presentations from the location of the presentation to Universal Liquidators' office in Fort Washington, Pennsylvania.

5. Defendant **MARSHA DOBSON** sent and caused to be sent sales materials used at franchise/trade shows to Universal Liquidators' office and elsewhere for the purpose of their use at future franchise/trade show presentations.

6. On or about the dates set forth below, in the Eastern District of Pennsylvania, and elsewhere,

MARSHA DOBSON

for the purpose of executing this scheme and attempting to do so, deposited and caused to be deposited packages to be sent and delivered by Federal Express, a commercial interstate carrier, according to the directions on the packages as follows:

| <u>Count</u> | <u>Date</u> | <u>Description</u> |
|--------------|-------------|--|
| 28 | 6/2/98 | A Federal Express package containing a seminar box, shipped from 30067 zip code (Marietta, GA), from Marsha Dobson, Universal Liquidators, 270 Commerce Dr., Fort Washington, PA 19034-2405, to Larry Dobson, 207 Doeskin Valley Rd., Sweetwater, TN 37874-6639 |
| 29 | 6/3/98 | A Federal Express package containing "Atlanta Deals," shipped from Federal Express Region 2, from Marsha Dobson, Universal Liquidators, 270 Commerce Dr., Fort Washington, PA 19034-2405, to Kelly Romanowski, Universal Liquidators, 270 Commerce Dr., Fort Washington, PA 19034-2405 |
| 30 | 6/19/98 | A Federal Express package, shipped from 38018 zip code (Cordova, TN), from Marsha Dobson, Universal Liquidators, 7750 Wolf River Blvd., Germantown, TN 38138-1702, to Kelly, Universal Liquidators, 270 Commerce Dr., Fort Washington, PA 19034-2405 |

All in violation of Title 18, United States Code, Sections 1341 and 2.

COUNTS THIRTY-ONE THROUGH NINETY-FOUR

(Money Laundering)

THE GRAND JURY FURTHER CHARGES THAT:

1. The allegations contained in paragraphs 1 through 10 and 12 through 40 of Count One of this Indictment are realleged here.

2. On or about January 5, 1995, defendant **WILLIAM KENNETH GARRETT** opened business checking account number 86-1051-0637 at PNC Bank for Retail Management Consultants, Inc., d/b/a Universal Liquidators.

3. Between on or about January 5, 1995 and on or about February 1, 1999, defendant **WILLIAM KENNETH GARRETT** deposited and caused the deposit of checks made payable to Universal Liquidators by prospective Universal Liquidators' brokers into PNC Bank account number 86-1051-0637.

4. Between January 5, 1995 and February 1, 1999, defendant **WILLIAM KENNETH GARRETT** knowingly conducted financial transactions by making payments and causing payments to be made by checks written on checking account number 86-1051-0637 at PNC Bank to promote the on-going mail fraud scheme in the following manner:

- a. paying Blenheim Shows a total of approximately \$410,481 by checks for space at franchise/trade shows conducted by Blenheim Shows throughout North America;
- b. paying Business Opportunity Expos a total of approximately \$12,250 by checks for space at franchise/trade shows conducted by Business Opportunity Expos throughout North America;

- c. paying Federal Express a total of approximately \$173,654 by checks for forwarding sales kits, sales supplies, broker applications, broker kits and other items in connection with the promotion of Universal Liquidators;
- d. paying MFV Expositions a total of approximately \$75,895 by checks for space at franchise/trade shows conducted by MFV Expositions throughout North America; and
- e. paying SC Promotions a total of approximately \$448,624 by checks for space at franchise/trade shows conducted by SC Promotions throughout North America.

5. On or about the dates set forth below, in the Eastern District of Pennsylvania and elsewhere, the defendant

WILLIAM KENNETH GARRETT

knowing that the property involved in the following financial transactions represented the proceeds of some form of unlawful activity, conducted and aided, abetted and willfully caused the conducting of the following financial transactions, in the approximate amounts listed below, which transactions, in fact, involved the proceeds of a specified unlawful activity, that is, mail fraud, in violation of Title 18, United States Code, Section 1341, with intent to promote the carrying on of the specified unlawful activity:

COUNT THIRTY-ONE

(Blenheim Shows)

| <u>Count</u> | <u>Date of Transaction</u> | <u>Payee</u> | <u>Amount</u> |
|---------------------|-----------------------------------|---------------------|----------------------|
| 31 | 9/30/97 | Blenheim Shows | \$2,150 |

COUNTS THIRTY-TWO THROUGH THIRTY-SEVEN

(Business Opportunity Expos)

| <u>Count</u> | <u>Date of Transaction</u> | <u>Payee</u> | <u>Amount</u> |
|---------------------|-----------------------------------|----------------------------|----------------------|
| 32 | 7/9/98 | Business Opportunity Expos | \$2,000 |
| 33 | 8/19/98 | Business Opportunity Expos | \$2,300 |
| 34 | 8/21/98 | Business Opportunity Expos | \$ 600 |
| 35 | 8/26/98 | Business Opportunity Expos | \$2,300 |
| 36 | 10/14/98 | Business Opportunity Expos | \$2,300 |
| 37 | 11/11/98 | Business Opportunity Expos | \$2,150 |

COUNTS THIRTY-EIGHT THROUGH FORTY-FOUR

(Federal Express)

| <u>Count</u> | <u>Date of Transaction</u> | <u>Payee</u> | <u>Amount</u> |
|---------------------|-----------------------------------|---------------------|----------------------|
| 38 | 9/30/97 | Federal Express | \$1,048.33 |
| 39 | 10/9/97 | Federal Express | \$1,302.01 |
| 40 | 10/20/97 | Federal Express | \$ 520.42 |
| 41 | 12/3/97 | Federal Express | \$1,032.14 |
| 42 | 10/30/97 | Federal Express | \$ 753.37 |
| 43 | 1/27/98 | Federal Express | \$1,016.50 |
| 44 | 3/9/98 | Federal Express | \$1,867.51 |

COUNTS FORTY-FIVE THROUGH SEVENTY-SIX

(MFV Expositions)

| <u>Count</u> | <u>Date of Transaction</u> | <u>Payee</u> | <u>Amount</u> |
|---------------------|-----------------------------------|---------------------|----------------------|
| 45 | 10/15/97 | MFV Expositions | \$2,150 |
| 46 | 10/22/97 | MFV Expositions | \$2,150 |
| 47 | 10/28/97 | MFV Expositions | \$2,150 |
| 48 | 11/12/97 | MFV Expositions | \$2,150 |
| 49 | 11/19/97 | MFV Expositions | \$2,150 |
| 50 | 12/3/97 | MFV Expositions | \$2,150 |
| 51 | 12/31/97 | MFV Expositions | \$2,150 |
| 52 | 1/14/98 | MFV Expositions | \$2,150 |
| 53 | 1/28/98 | MFV Expositions | \$2,150 |
| 54 | 2/11/98 | MFV Expositions | \$2,150 |
| 55 | 2/25/98 | MFV Expositions | \$3,695 |
| 56 | 3/4/98 | MFV Expositions | \$2,150 |
| 57 | 4/22/98 | MFV Expositions | \$2,150 |
| 58 | 4/29/98 | MFV Expositions | \$2,150 |
| 59 | 5/13/98 | MFV Expositions | \$2,150 |
| 60 | 6/11/98 | MFV Expositions | \$2,150 |
| 61 | 6/17/98 | MFV Expositions | \$ 500 |
| 62 | 6/17/98 | MFV Expositions | \$2,150 |
| 63 | 6/25/98 | MFV Expositions | \$2,150 |
| 64 | 7/16/98 | MFV Expositions | \$2,150 |
| 65 | 7/23/98 | MFV Expositions | \$2,150 |
| 66 | 7/29/98 | MFV Expositions | \$2,150 |
| 67 | 8/5/98 | MFV Expositions | \$2,150 |
| 68 | 8/12/98 | MFV Expositions | \$2,150 |
| 69 | 8/19/98 | MFV Expositions | \$2,150 |
| 70 | 9/16/98 | MFV Expositions | \$ 500 |
| 71 | 9/24/98 | MFV Expositions | \$2,150 |
| 72 | 9/29/98 | MFV Expositions | \$2,505 |
| 73 | 10/28/98 | MFV Expositions | \$1,000 |
| 74 | 10/28/98 | MFV Expositions | \$2,150 |
| 75 | 11/4/98 | MFV Expositions | \$2,150 |
| 76 | 11/11/98 | MFV Expositions | \$2,150 |

COUNTS SEVENTY-SEVEN THROUGH NINETY-FOUR

(SC Promotions)

| <u>Count</u> | <u>Date of Transaction</u> | <u>Payee</u> | <u>Amount</u> |
|---------------------|-----------------------------------|---------------------|----------------------|
| 77 | 9/30/97 | SC Promotions | \$2,790 |
| 78 | 10/29/97 | SC Promotions | \$2,790 |
| 79 | 11/5/97 | SC Promotions | \$2,790 |
| 80 | 11/19/97 | SC Promotions | \$2,490 |
| 81 | 12/17/97 | SC Promotions | \$2,490 |
| 82 | 1/14/98 | SC Promotions | \$2,698 |
| 83 | 1/28/98 | SC Promotions | \$2,698 |
| 84 | 2/5/98 | SC Promotions | \$2,698 |
| 85 | 2/11/98 | SC Promotions | \$2,698 |
| 86 | 2/18/98 | SC Promotions | \$2,698 |
| 87 | 2/25/98 | SC Promotions | \$2,698 |
| 88 | 3/4/98 | SC Promotions | \$2,698 |
| 89 | 3/11/98 | SC Promotions | \$2,698 |
| 90 | 3/18/98 | SC Promotions | \$2,698 |
| 91 | 4/1/98 | SC Promotions | \$4,293 |
| 92 | 4/22/98 | SC Promotions | \$2,698 |
| 93 | 4/29/98 | SC Promotions | \$2,698 |
| 94 | 5/13/98 | SC Promotions | \$2,698 |

All in violation of Title 18, United States Code, Sections 1956(a)(1)(A) and 2.

COUNTS NINETY-FIVE THROUGH NINETY-NINE

(Money Laundering)

THE GRAND JURY FURTHER CHARGES THAT:

1. The allegations contained in paragraphs 1 through 10 and 12 through 40 of Count One of this Indictment are realleged here.

2. In or about January 5, 1995, defendant **WILLIAM KENNETH GARRETT** opened a business checking account number 86-1051-0637 at PNC Bank for Retail Management Consultants, Inc., d/b/a Universal Liquidators.

3. Between January 5, 1995 and February 1, 1999, defendant **WILLIAM KENNETH GARRETT** deposited and caused the depositing of checks made payable to Universal Liquidators by prospective Universal Liquidators' brokers into PNC Bank account number 86-1051-0637.

4. Between January 5, 1995 and February 1, 1999, defendant **WILLIAM KENNETH GARRETT** knowingly engaged in monetary transactions affecting interstate commerce by making payments and causing payments to be made by checks written on checking account number 86-1051-0637 at PNC Bank to American Express totaling approximately \$409,145.38.

5. On or about the dates set forth below, in the Eastern District of Pennsylvania, and elsewhere, defendant

WILLIAM KENNETH GARRETT

knowingly engaged in and aided, abetted, and willfully caused monetary transactions affecting interstate commerce in criminally derived property of a value greater than \$10,000, described

more fully below, and such property was derived from a specified unlawful activity, that is mail fraud, in violation of 18 U.S.C. § 1341:

| <u>Count</u> | <u>Date</u> | <u>Amount</u> | <u>Description</u> |
|--------------|-------------|---------------|-----------------------------|
| 95 | 12/1/97 | \$12,497 | Payment to American Express |
| 96 | 4/10/98 | \$18,746.42 | Payment to American Express |
| 97 | 5/14/98 | \$13,483.64 | Payment to American Express |
| 98 | 6/24/98 | \$11,268.44 | Payment to American Express |
| 99 | 12/30/98 | \$16,078.42 | Payment to American Express |

All in violation of Title 18, United States Code, Sections 1957 and 2.

NOTICE OF FORFEITURE

1. As a result of the violations of Title 18, United States Code, Sections 1956(a)(1)(A) and 1957, as set forth in Counts 31 through 99 of this Indictment, the defendant

WILLIAM KENNETH GARRETT

shall forfeit to the United States of America any and all property, real and personal, involved in such offenses, and any property traceable to such property, including, but not limited to, the sum of \$209,683.20.

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendant:

1. cannot be located upon the exercise of due diligence;
2. has been transferred or sold to, or deposited with, a third party;
3. has been placed beyond the jurisdiction of the Court;
4. has been substantially diminished in value; or
5. has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b), incorporating 21 U.S.C. § 853(p), to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Section 982.

A TRUE BILL:

FOREPERSON

PATRICK L. MEEHAN
United States Attorney